CONTINENTAL SELLING PRICES; AUSTRIA Sch 15: BELGIUM Fr 30; DENMARK Kr 8.00; FRANCE Fr 4.50; GERMANY DM 2.0; ITALY L 1000; NETHERLANDS FI 2.25; NORWAY Kr 6.00; PORTUGAL 8:c 50; SPAIN PM 75; SWEDEN Kr 6.00; SWITZERLAND Fr 2.0; EIRE 42p; MALTA 25c



BUSINESS

**Unions** 

own bank

● BANK run by major trade unions and the Co-op Bank may

be launched within six months.

• NEW ZEALAND is arranging

a £100m sterling bankers' acceptance facility, the first

time a foreign government has

tapped this market in its own name. Back Page

that the krona will be devalued

• RELGIAN FRANC improved

slightly but remained the

weakest member of the Euro-

pean Monetary System last week. The D-mark was the

strongest currency, followed by

the very firm Dutch guilder, and the little changed Italian lira The Danish krone improved

but stayed around the middle

of the system, while the Irish

punt and French franc were two

of the three weakest members, with the Belgian franc, but showed a slightly firmer trend

and appeared to be under no

pressure. As a group the EMS

gained ground against the dollar, reflecting the easing of U.S. interest rates.

**EMS** Sept 11, 1981

n European Monetary System exchange exes. The upper grid, based on the veakest currency in the system, defines

the cross fates from which no currency (except the lira) may move more than 24 per cent. The lower chart gives each currency's divergence from the central rate against the European Currency Unit. (ECU). itself a basket

• CZECHOSLOVAKIA'S econ-

omy is being hurt by a lag in deliveries from Poland. Page 3

MALAYSIAN International Shipping Corporation doubled

• ARAB BANKS' UNION may

launch an Arab travellers'

• UK BANK lending in the

personal sector is growing by

more than 60 per cent a year.

• PROFITS of the leading 140

quoted UK companies, measured

on aggregate current-cost accounting, fell by 15-20 per cent in 1980 and earnings by 30

SIXTEEN senior executives.

including a director, have lost

their jobs through the merger of the National Research De-

velopment Corporation and the

National Enterprise Board into

the British Technology Group.

• GENERAL ACCIDENT Group

is to cut its rates for many of

the one million motorists

insured with it, in some cases

1988. Page 15

cheque by March.

per cent. Page 4

today. Back Page

SWEDISH reports suggest

could

have

Back Page

GENERAL

# **Solidarity** in bid to avert clash

Poland's Solidarity trade union and the Government appear to be backing away from 2 threatened clash over workers' rights after the union offered a compromise on its right to choose factory managers.

Union leader Lech Walesa said Solidarity would build its own television transmitter if the authorities continued to restrict the union's access the mass media. Back Page

### Official blamed Teheran radio said a top

security official caused the bomb explosion which killed Iran's president and prime minister last month. He also died in the

### **Bombs** defused

Army bomb disposal team spent nine hours defusing ten mortar bombs aimed at a police station in Bessbrook in Co. Armagh.

### Napalm charge

Angolan newspapers accused South African forces of using napalm bombs in their assault on towns in the south of the

### Newsman banned

33.

Egypt ordered the correspondent of the Paris paper Le Monde to leave the country in three days. He is the second foreign journalist to be

### Israeli threat

Israel may recall its ambassador, to Austria after Chancellor Kreisky said Prime Minister Begin was a "primitive Begin was a primitive imperialist." Israeli offensive,

# Vodka price rise

Petrol will double in price and the cost of yodka will rise by a fifth in a package of charges

### Equal rights plea The Equal Opportunities Com-

mission said the planned industrial training reforms should include increased training opportunities for women. Page 4

# Police warning Police journal editor said chief

constables may soon envy the job security of soccer managers if Left-wing critics toppled Merseyside chief constable Kenneth Oxford. -

### **Wayward missile** Milan newspaper said a missile that exploded at 30,000 ft near

an Italian DC9 jet liner in August was probably fired from a U.S. 6th fleet ship during

### Nato war games Nato war games involving up to 300,000 troops begin today

in Denmark, close to the Baltic region where Warsaw Pact exercies have just ended.

# Record for Rono

Henry Rono of Kenya broke his own world 5,000 metres record with a time of 13 minutes 6.2 seconds at an athletics meeting

Win for Renault Frenchman Alain Prost, driving a Renault, won the Italian Grand Prix at Monza. World champion Alan Jones in a Williams

### Briefly . . .

finished second.

m bond £100,000: Winning premium 5E2 376079; £50,000: 5KK 281617 and £25,000: 7JW 382021.

Israeli police arrested several Arabs after grenade attack in Jerusalm which killed one and

Soviet underground nuclear in Siberia was, the

### strongest explosion this year.

.....12 Banking: Scots rally to protect 'their bank' ..... 13 Technology: banks gear up police and the riots ... 10 for automated future ... 8

Management:

# by more than a fifth. Page 5

after the in- Lombard: Richard Lambert on Securities and Exchange Commission's role ..... 10

Justinian: Scarman: the

Editorial comment: British Swedish politics in flux; India

nan's Dry.

# Planned \$13bn drop in U.S. defence budget far less than expected

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan is to hit his target.

has decided to trim \$13bn from The cuts in military spending the huge increases planned in U.S. defence spending in the next three years, far less than huge increases planned in the \$200n-\$30bn the White House had earlier said he was

considering.

The decision, announced at the weekend, was seen as a big restoring American strategic victory for Mr Caspar Wein-berger, the Defence Secretary, who had argued strongly against any significant cut in

the American arms build-up. Mr David Stockman, the President's budget director, was reported to want to reduce defence spending by at least \$30bn over the fiscal years 1982-

The defence cuts will be only part of a \$70bn-\$75bn reduction in overall budget spending in 1983 and 1984 that Mr Reagan is seeking to achieve his goal of balancing the Federal budget by 1984. Many analysis outside the Government, however, be-lieve that even these cuts will not be big enough if Mr Reagan

will involve a reduction of \$2bn in the \$222bn defence budget for 1982, followed by \$5bn in 1983 and \$6bn in 1984, the White House said. The cuts' are not expected seriously to affect Mr Reagan's objective of

superiority over the Soviet Union by 1990. The aim of an annual real 7 per cent increase in defence spending will still be comfort, the Middle Eseconably achieved if President A Retiring about five ships and Carter's proposed 1981 hudget cancelling 10 from the 140 the ment for inflation, officials said. five years. But they were not ready to say if the 7 per cent rate would be

achieved on the basis of the much higher 1982 budget. Mr Weinberger and Mr Stockman have been arguing over which year should be used as the base for the cuts programme, with Mr Weinberger campaigning for the higher

Details of where the defence

cuts will fall have not yet been settled, but it is clear they will not affect any big new weapons programmes such as the MX mobile missile or the planned

new strategic homber.
The Pentagon said the \$13bn could probably be absorbed by: · Extending plans to increas the armed forces by 100,000 troops over longer than the five years initially envisaged. • Slowing down the stockpiling of imminition in Europe and

is taken as a base after adjust- Navy wants to build in the next • Reducing purchases of the

F-15 fighter for the next few Slowing the build-up reserve forces.

Officials said it no longer seemed likely that one of the army's 16 divisions would have to he dishanded, as the Pentagon had feared would happen if Mr Stockman had his way.

Haig speech, Back Page

# Oil companies cut stocks and risk prices pressure

BY RAY DAFTER, ENERGY EDITOR

MAJOR energy companies have begun deliberately reducing their winter stocks of oil because of high storage costs.

The policy will leave the in-dustry with a substantially smaller safety margin against a supply crisis or abnormal seasonal demand and could renew pressure on crude oil prices.

Senior officials of the Intercontinues Saudi Arabia will find ment within the Organisation of Petroleum Exporting Countries, for, a unified pricing system based on a moderate level of \$32 (£18) to \$34 a

Normally during the July-September period oil companies build up stocks at a worldwide rate of some 2m barrels a day in readiness for higher winter demand. But latest industry estimates suggest that instead the companis may be reducing. stocks by 1m to 1.5m b/d. coming
The drawdown of stocks quarter.

partly accounts for the low demand for oil by Western con- sents the sumers from the Opec countries and, as a result, for Opec's depressed production. In order to meet the higher dimand for oil during the winter months companies will either have to increase their imports or draw more deeply on their stocks.

Industry estimates suggest national Energy Agency are that if Opec continues to pro-concerned that if the trend duce oil at the present levels, companies will be forced to reduce stocks by between 3.5m and 4m b/d in the fourth quarter-almost double the rate of the normal seasonal stock

Officials within the IEA and the industry emphasised at the weekend that there was no immediate danger of winter fuel shortages. Stocks are still well above the historic level of about 5bn barrels—the equiva-lent of 103 days supply at the projected non-Communist world consumption rate over the October -December

But the agency, which represents the governments of virtually all developed countries, is becoming increasingly worried that the industry is reductive cess stocks which would have formed a busier against further unexpected supply interruptions. Estimates within the agency's

secretariat suggest that by the end of the year companies within members of the Organisation for Economic Co-operation and Development could be holding the equivalent of only 90 days of forward consumption compared with 110 days at the beginning of July. Companies are confident that

in the event of supply problems or an unexpected surge in demand they will be able to increase their imports from a number of Opec countries which are now anxious to raise their production levels.

Such a move would almost certainly harden the pricing attitude of the more hawkish members of Opec. Continued on Back Page

economic ministries. As there appears to be no prospect of a move by Sir Geoffrey Howe. Chancellor of the Exchequer-

choice is limited. One obvious possible post

# Thatcher dilemma over **Prior**

BY RICHARD EVANS LOBBY EDITOR

THE PRIME MINISTER faces a serious dilemma over the future of Mr James Prior, Employment Secretary, warnings that he would resign from the Government if removed from his present post and offered a job outside the economic field.

Mrs Thatcher must decide whether to keep Mr Prior in his present job or call his bluff by moving him and face the prospect of a highly damaging resignation from her

administration. Mr Prior, who favours a much more cautious approach to trade union reform than the Prime Minister, and has been critical of other aspects of economic policy, would be a dangerous foe for her on the back benches. He would be the focus for discontent among Tory

MPs at the Government's lack of economic success. But if the Prime Minister decides to leave him where he is, it will be against the wishes of many Right-wing Tory MPs. who want tougher measures against trade union power.

Following the warnings and veiled threats from Mr Prior, which will make him an even more controversial member of her Cabinet, leaving him where he is would also be a blow to Mrs Thatcher's authority and prestige. She would be accused of bowing to unreasonable

pressures.
Mr Prior made his position known through friends after persistent reports that Mrs Thatcher intended to move him in the impending reshuffle, probably to the Northern Ireland Office in place of Mr Humphrey Atkins.

His position is that he is not

refusing to be shifted, but that he would decline to serve in any office other than one of the hig and Mrs Thatcher would never pick Mr Prior for that post-the

Industry, but Sir Keith Joseph has no desire to move and is intensely loyal to Mrs Thatcher. The only other economic alternative is the Department of Energy, but this would probably was speaking in Glasgow, a vic-be too junior a post for Mr tory for Mr Benn would be an be too junior a post for Mr

Continued on Back Page

# Steel may tell voters to oppose defiant Liberals

BY RICHARD EVANS, LOSBY EDITOR

MR DAVID STEEL, the Liberal leader, said vesterday he would lodge. be prepared to advise electors A r

assembly at Llandudno, said on ITV that if an SDP candidate was thought more suitable to an alliance, and publication by the fight a General Floria His comments will not be welcomed by many Liberal party activists anxious to avoid seing swamped by the SDP.

this year's conference season and voted for an alliance in all that could see developments of greatest significance in British politics. Mr Steel's remarks were made on London Weekend's Weekend World programme. They will be warmly welcomed by SDP leaders. Conflicts over the divi-

sion of winnable seats between the two parties represents one of the major dangers facing the alliance. SDP leaders have advocated that at least half the winnable rather than nationally. He estiseats in the country should in mated that in two-thirds of con-

in the alliance but the criteria go smoothly. for deciding which ones has yet In a minor

these could be difficult to dis-A record 1,700 delegates at

candidate in the interests of the Social Democrat-Liberal for developing the alliance.

Mr Steel, adopting a tough activists.

Iine on the eve of his party's Two weekend developments

fight a General Election seat SDP of eight discussion docuhe would oppose a rival put up ments on policy which showed by a defiant local Liberal party. no obvious differences between the two parties on major issues The Scottish Party's special conference in Glasgow not only agreed to change its constitu-They set the scene for this tion to permit an alliance but week's conference, the first of went beyond Mr Steel's request

> will be debated at the party's first conference next month. This will be divided between Perth. Bradford and London. No votes or decisions, however, will be taken at this stage. Mr Steel said in his Weekend World interview that the decisions on which candidates should be fielded by the alliance

elections, local and national.
The SDP discussion papers

would have to be taken locally fairness go to their candidates stituencies negotiations would In a minority of cases where conflict was impossible to re-

Many local Liberal associa- solve locally there would have tions have already picked their to be arbitration. candidates and in some areas Editorial comment, Page 12

# **Shore says Benn victory** would weaken leadership

Chancellor of the Exchequer, to win the next election, warned members of the Labour The outcome of the Party yesterday that the effect between Mr Healey Mr Benn tiveness of the party's MPs, the and Mr John Silkin is impos-

urgency of the campaign by vote. defeat of Mr Denis Healey in the contest to be decided on the eve of the party conference in Brighton in two weeks. According to Mr Shore, who

open rebuff for Mr Foot, and Relations between Mrs That- would impose on the great cher and Mr Prior have been majority of MPs "a deputy strained since the Conservatives leader for whom only a tiny won office, partly because of minority would freely vote." personal temperament and Despite his undoubted gifts, Mr partly because of policy differ- Benn simply did not persuade a ences over the union reform large section of Labour voters, let alone the 2m to 3m waverers

MR PETER SHORE, Shadow the party would need to capture The outcome of the contest

Shadow Cabinet and Mr Michael sible to predict with any certoot as leader would "suffer immeasurably" should Mr Tiby Benn be elected deputy leader. Jargest union affiliated to the The tone of Mr Shore's party, will not reach its deremarks shows the increasing cision until shortly before the On the assumption that Mi

Silkin drops out and the TGWU votes in the second round for Mr Benn, he could just win. Hence the rising tide of warnings from the moderates on the consequences of a Benn victory.

Mr Shore stressed that the damage of a Benn win would be "very great." But in his view a greater folly would be the exodus from the party of those who had fought against Mr Benn. Desertions would

simply increase the prospect Continued on Back Page

# IMF urges renewed restraint

pre-tax earnings in 1980 to 56m Ringgit (£13.14m). Page 18 THE International Monetary Fund has appealed for indus-• TRANSCANADA PIPELINE is paying a record 17; per cent on a \$75m (£41.9m) U.S. dollar trialised countries to keep up the battle against inflation by Eurobond issue maturing in maintaining policies of fiscal and monetary restraint.

In a recommendation aimed particularly at the U.S. the IMF in its annual report calls for more efforts to cut budget deficits and for greater international co-operation to help curb currency instability.

The report was published last night in Washington. It comes a fortnight before the world's Finance Ministers convene at the IMF and World Bank annual meeting in the U.S. capital for talks on finding ways out of the international reces-

The IMF report says exchange rate changes over the past year have been the largest since the early 1970s and are adding to many countries' economic prob-

In a tough warning to the developing countries which lihood that monetary policy, borrow heavily from the world's through its impact on real in-

capital markets the Fund says interest rates are likely to remain higher than in the 1970s as the West sticks to anti-

inflation policies. Squeezed by high borrowing costs and weak markets for their exports developing countries could soon face critical prospects if the real price of oil increased further and low growth in the West continued. Increased aid efforts, especially for low-income developing nations, were vitally necessary.

the LMF says. The IMF urges governments to follow consistent fiscal policies to reduce undue reliance on monetary restrictiveness. This matches a series of calls this year from the Organisation for Economic Cooperation and Development and

the Bank for International Settlements. Action to cut budget deficits and to lower strains on credit

"reduces the like-

terest rates, will have seriously disturbing effects on private investment and exchange rates."

Although the U.S. is not mentioned by name the pre-scription adds up to further international pressure on the Administration lower the U.S. budget deficit. Concern about soaring Treasury borrowing has been the main factor keeping interest rates high on Wall Street and forcing up the dollar on the foreign exchanges.

Taking issue with the Administration's policy of minimising intervention on the foreign exchanges the Fund says " intervention may at times play a useful role in limiting shortterm movements in exchange

rates. The IMF says policies aimed at cutting the growth of nominal demand sharply could have an adverse impact on output and employment for a considerable period and thus prove politic ally difficult to maintain. Editorial Comment, Page 12

# Sizewell B plans 'accelerating'

BY DAVID FISHLOCK, SCIENCE EDITOR

THE NEW nuclear task force is expected to report greatly accelerated progress on the Sizewell B nuclear power station in its first meeting with Mr David Howell, Energy

Secretary, today. the first of a series of British stations based the Westinghouse pressurised water reactor. be the subject of a public

A revised outline design for the station, believed to be much more easily constructed than the first design attempt which was submitted last April, will nuclear inspectors around the the many decisions involved in reactors end of this month.

Mr Howell appointed the task such a focus "work goes quicker force, under the chairmanship and people are happier." Dr of Dr Walter Marshall, chairman of the UK Atomic Energy

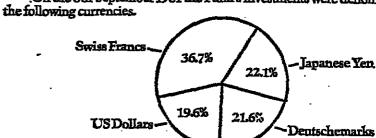
Sizewell B have yet been made by the National Nuclear Corporation, which is responsible for the design. But Dr Marshall has said that he would be "very dislems involving about ten major appointed" if it were not at least 30 per cent cheaper to chains of communication, for build than a project based on a example on safety-related British-designed advanced gasbuild than a project based on a matters, were seriously hamper- cooled reactor producing the

be sent to the Government's has been to create a focus for stations use two 660 MW and two turbo this £1bn project. By creating generators.

# Vanbrugh **Currency Fund Limited**

**DIRECTORS' ANNOUNCEMENT 8/9/81** The Directors are pleased to announce that the offer price of the participating shares originally issued on 12th May 1981 has risen by over 13.85% at the latest dealing date, 8th September 1981. The portfolio of bank deposits has been actively traded.

On the 8th September 1981 the Fund's investments were denominated in



INVESTMENT POLICY

The Fund is constituted as a diversified and actively managed portfolio of money market instruments and bank deposits denominated in various currencies.

The objective of the Fund is to offer investors the opportunity to achieve a high level of income from interest received on the Fund's investments combined with capital protection and appreciation relative to sterling.

The Managers are Vanbrugh Fund Management International Limited, a wholly-owned subsidiary of Vanbrugh Life Assurance Limited. INVESTMENT ADVISERS

Prudential Portfolio Managers Limited, a wholly-owned subsidiary of

Prudential Corporation Limited are the appointed investment advisers to the Managers.

For further information write to: The Managers, Vanbrugh Currency Fund Ltd. 28/34 Hill Street, St Helier, TERSEY, Channel Islands. Tel: 0534 36281. Please send me a copy of the Company's Prospectus (on the terms of which, alone, applications will be considered).

ال أيرانية أنبيط البيد الأنت المن النبط عبد عباد عباد عالم الأنو عالي يوني ويوني ويوني ويوني ويوني ويوني ويوني Issued on behalf of the Fund by Rowe & Pitman, members of The Stock Exchange



Today's Events
TV and Radio
UK. News
Unit Trusts Westher World Econ, Ind. World Stock Mikts. World Trads

Ryt. Dutch Petrim.

INTERIM STATEMENTS

Sizewell B is planned as It will inquiry next year.

Authority, late in June, following urgent representations from nuclear industry leaders. Dr Marshall's job was to cut through communications probparticipants in the project. Long

ing engineering progress. · These problems had led to an unnecessarily complicated and costly outline design The purpose of the task force

Marshall commented last week. No new estimates of cost for

same amount of power. . Sizewell B is being designed around a single reactor of 1,150 MW and two turbo generators, whereas the latest AGE

# West German industrial output 'to rise in 1982'

BY JONATHAN CARR IN BONN

WEST GERMAN industrialists cent this year. expect a marked increase in sales and production next year, but there will be a further fall in the number of people they

This emerges from the latest

survey of industrialists' plans made by the IFO Institute of Economic Research on the basis of a questionnaire sent out in July and published today. The results broadly confirm the view of economists that an overall economic upturn cannot be expected until 1982but that then it will be quite strong, buoyed by export

According to IFO, indus-trialists expect domestic sales to rise 6 per cent next yeardouble this year's rate—and

The strongest growth is likely to be in the capital goods sector, with a rise of 7 per cent in domestic turnover and 11 per cent in foreign turnover.

Industrial production overall is likely to rise by 2.2 per cent after a drop of 2.6 per cent this year. Fixed asset investments will be up by only 1 per cent after 3 per cent this year, partly reflecting a cyclical downturn and partly the expectation of continued high interest rates. The IFO survey shows that

industrialists expect to cut their labour force by 0.7 per cent on average next year, or about 50,000 employees. This follows an expected reduction this year of about 110,000 and shows that double this year's rate—and even fairly strong economic foreign sales to increase by 9 growth is no longer enough to per cent, compared with 8 per prevent a cut in jobs.

# Wage increases planned for Soviet coal miners

BY OUR MOSCOW CORRESPONDENT

SOVIET Government references in the Soviet Press yesterday announced higher to the difficulties encountered pay for coal miners in the cur- in recruiting coal industry per rent five-year plan (1981-85), according to Pravda, the Communist Party newspaper.

A salary increase of 27 per cent has been agreed for miners working underground, 23 to 24 per cent for those in open-cast mines and 18 to 20 per cent for other coal industry workers. Miners at several pits in the Donetsk Basin in the Ukraine and the new open-cast fields at complex Kasalan, which have been criticised by Mr Boris Bratchenko, Coal Minister, for stuggishmess in fullfilling the plan and had

working conditions, will receive their salary increases early next year. Miners in the rest of the industry will receive their rises on all goods sold legally, except "The rises should increase the authorities claim the productivity." Pravda says, in- economy has no inflation, the dicating that the leadership is prices of consumer goods are worried about the problems in

sonnel. This is despite the fact that miners are the highest paid workers and enjoy numerous privileges and benefits.

Average monthly earnings of miners are about roubles 350-370 (£243-£257), more than twice the national average for industrial and white collar workers. A miner works a 36-hour week, or 30 hours in mines where conditions are particularly arduous.

Shoppers crowded Moscow stores and petrol stations at the weekend after rumours of steep

in farmers' markets. Although periodically increased. ne industry. most recent rises were in June There have been frequent 1979 and March 1978.

Yugoslav deficit warning

Yugoslavia's balance of paymore efforts are needed until the past few months, this also the end of the year, according to Mr Veselin Djuranovic, Prime Minister

country's biggest international fair in Zagreb, Mr indispensable to step up efforts Djuranovic recalled govern- in coming months towards ment plans to reduce the balance of payments deficit from \$2.3bn (£1.2bn) last year to \$1.8bn this year.

However, in the first six months of 1981, the deficit totalled \$3.5bn - almost the level of the record balance of payments deficit of \$3.7bn AP

ZAGREB - Moves to improve Yugoslavia reported for 1979. Mr Djuranovic said while resulted in increased imports of semi-finished products and raw materials without accomplishing Speaking at the opening of a planned rise in exports.

The Premier said it was achieving the planned balance of payments deficit. He did elaborate. Yugoslavia's foreign debts are said to total

\$17bn. Mr Djuranovic listed as a positive fact a slowly-declining inflation rate.

# Springboks leave a shaken New Zealand

rugby team flew out of New assault on police lines. Police Zealand last night — dejected had to make several baton at losing the international series and leaving behind a country bewildered and shaken by the unprecedented protests. Their tour ended in in-credible scenes of bloodshed and violence in Auckland on Saturday. With a light aircraft

buzzing the field from the level of the grandstand roof and divebombing the players with flourbombs, smoke-bombs and pamphlets, it was one of the most bizarre rugby tests ever. The Cessna aircraft, stolen early in the day, made 58 separate low swoops over the ground dropping more than 60 missiles. One flour homb struck All Black prop Gary Knight on

the head, knocking him uncon-Outside the ground there

were the most violent scenes, creation of divisions the tour in modern day New Zealand, has caused in New Zealand

union body

faces deficit

THE Netherlands' largest trade

union federation, the Imstrong FNV, faces financial crisis and

may have to lay off many of its 500 staff.

The threat of impending re-

dundancies has led to a strong

reaction from the union repre-

senting the federation's em-ployees and claims that the

federation had not involved the

union in discussions of the

problems. The staff have offered

to take a cut in salary if this

The FNV, which groups 23 mainly Catholic and Socialist

unions, faces a deficit for the first time of Fl 2.5m (£490,000) on its 1981 budget. The loss

could be several times higher

in 1982, according to Mr Aad de

Vries, the federation's treasurer,

without large cuts in the wage bill the prospects were gloomy, he said. But the federation

hoped it would not be forced

Record unemployment levels

in the Netherlands — at present

407,000 people are out of work

or nearly 10 per cnt of the total workforce—has led to a decline in union membership. The FNV has lost 35,000 members in the

The economic recession and

two years of government-

imposed wage restraint have

meant affiliated unions have

not been able to raise members'

and other sources is down

nearly 4 per cent from the 1978

increased by nearly Fl 8m. The

federation has strike funds

invested, but these can only be

used by statute to finance

industrial action and must

One reason for the high

salary costs of the FNV-two-

thirds of all spending goes in

wages—is that the merger of

two previously independent Catholic and Socialist federa-

anyway be kept in reserve.

while spending has

to sack people.

past 18 month.

contributions

will help to save their jobs.

By Charles Batchelor

THE South African Springbok Protestors launched an all-out society. Even within families semi-rural marginal electorates charges and scores of people were injured. Of the 43 admitted to hospital, 19 were may never be restored to its For the first time in New

> were thrown at the police. Before the Springboks even left last night the national inquest into the financial and social consequences of the tour had begun. The Government's original estimate and allocation of NZ\$2.7m (£1.2m) to provide a nolice screen for the Springboks was exceeded many times

It is suggested that even without the wages of police and army personnel the cost conservatively could exceed NZ\$15m.

Zealand's history petrol bombs

Even more serious is the

opinions over the tour have Respect for the police has certainly been weakened and it

Rugby will probably be the main casualty. Many long-time rugby enthusiasts, including officials at national and club level, have severed their connection with the sport because they objected so strongly to the presence of the South Africans in New Zealand.

What effect the tour - and more precisely the determination of Mr Robert Muldoon, the Prime Minister, to allow it to proceed — will have on the meral election in November

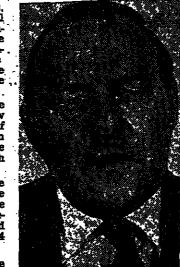
is still too early to evaluate. Staunch National Party sup porters believe that Mr Muldoon's stand will gain him vital votes, especially in five

there is bitter dissent as from rugby supporters who will support the Government's atti-tudes. Labour voters, on the other hand, are equally con-vinced that thousands of people are so opposed to the tour there will be an overwhelming vote for Labour.

Black African countries have threatened to try to isolate New Zealand sportsmen because of the tour. There have also been reported attempts to disclocate Middle Eastern trade ties with

In Los Angeles, where the team is due to play en route back to South Africa, there are fears that the Springbok presence could jeopardise Third World attendance at the 1984 Olympic Games.

In South Africa yesterday, the leading pro-Government newsside should not play in the U.S.



Mr Robert Muldoon: determined stand

Investment

for Canada

BRITISH investors have been

discouraged by the Canadian Government because its energy and foreign invest-

ment programmes are highly restrictive, Britain's new High

Commissioner to Ottawa, Lord Moran, said at the week-

In his first public speech

in Canada, Lord Moran said the National Energy Pro-gramme and the Foreign Investment Review Agency

had left some British investors wondering how wel-

"Many British firms would

like to invest in Canada, but

many people I met in London told me that with NEP and

FIRA the Canadian climate

seemed to them to be unwel-

warning

# Netherlands PLO expects Israeli offensive

ern Lebanon to reinforce its strongholds in anticipation of an Israeli offensive, the PLO said vesterday.

Beirut newspapers reported that the unit left Beirut on Thursday for an undisclosed location in south Lebanon, where an unofficial ceasefire between Israel and the PLO has been holding since July 24. PLO officials said a battalion that included long-range artillery units has also moved south in recent

Meanwhile the Saudi Arabian mbassador in Belrut, in an interview for publication today, has given some details of Saudi involvement in keeping the peace in Lebanon over the past few months.

Saudi Arabia is trying to consolidate a lasting truce in south ebanon, the ambassador, Ali Shaer, said. The Saudi kingdom mental in arranging the July in co-operation and consulta- ceasefire after a fortnight of tion with its Arab bretheren, Israeli air, sea and ground aircraft (AWACS).

ing the transport and communi-cations links between the two

countries. The visit does not

Chief of Staff which Calro-

General Rafael Eitan, the.

Chief of Staff, was reported last

week to have warned that

troubles in Egypt could lead to

the downfall of President

Anwar Sadat and the collapse

The head of the 45-man

Egyptian delegation, Mr Tahat

Shash, deputy director-general

of the Foreign Ministry, said

on arrival that Egypt was "still

tions, begun in 1976, is not yet awaiting explanation from the writes: The Egyptian Govern-himself v complete. The FNV still has Israeli Government about the ment yesterday expelled a enemies."

of the peace agreement.

considered offensive.

Organisation has moved an efforts with a view to achieving against northern Israeli settle-armoured battalton into south a lasting peace in the south ments across the south Lebanese region, so that the issue can be settled on a wider, more comprehensive scale."

> This was being done through the continuous efforts and constant contacts undertaken by Prince Saud, the Foreign Minister.

The envoy's remarks follow statements by Mr Alexander Haig, the U.S. Secretary of State, last week that the U.S. was eager to consolidate a shaky ceasefire in south Lebanon following Israeli-Palestinian fighting there in July.

Mr Haig met Saudi Arabla's Crown Prince Fahd in Malaga, Spain, on Saturday and according to the official Saudi press agency, the Palestinian question and Lebanon were at the top of their agenda.

Saudi Arabia was instru-

A TEAM of Egyptian civil reported statement. In the second Western journalist in

servants arrived in Israel meantime his team would hold four days for what it called

yesterday for talks on improve four days of talks on ways of distorted reporting. M Jean-

the simmering row between denial over the weekend that Cairo and Jerusalem over he had made the remark as reported remarks by the Israeli reported in the Maarly news-

paper but in an editorial yester-

day the paper stood by its

report. It called on the General

to be man enough to admit that.

According to reports from

Egypt, Cairo has postponed a planned visit by the Israeli

Ohief of Staff later this mouth

and cancelled, a visit by senior Egyptian army officers to Israel.

Israel denies any such visits

Anthony McDermott in Cairo

he had made a mistake.

the two countries.

expanding the links between Pierre Peroncel-Hugoz of Le

Gen. Eitan's office issued a leave the country.

THE Palestine Liberation is currently exerting intense attacks and Palestinian reprisals Lebanese border.

In Beirut yesterday, the main Museum crossing point, providing passage between mainly Moslem and predominantly Christian east Beirut, was opened to civilian traffic with bulldozers and internal security force patrols. The link was blocked off in April when fighting broke out between Syrian forces and Christian Lebanese militiamen

Reginald Dale adds from Washington: Mr Haig assured Crown Prince Fahd of Saudi Arabia at the weekend that the Reagan Administration was confident of winning congressional approval for the \$8.5bn worth of military aircraft and equipment which the Saudis wish to buy from the U.S. The deal, which has been opposed by Israel and its supporters on Capitol Hill. would include five sophisticated

Monde was given three days to

President Sadat is angry at

foreign reaction and reporting

of his crack-down on Moslem

and Coptic extremists and

political adversaries. In the last

fortnight over 1,600 people have

In an editorial vesterday the

semi-official daily. Al-Ahram

bitterly attacked Mr Mohammed

Heykal, its former editor who

Heykal had chosen to align

himself with Egypt's "spiteful

among those recently

Al-Ahram said Mr

been arrested.

arrested.

come to foreign investment," the envoy told the Men's Canadian Club in Ottawa. The energy policy is designed to increase Canadian ownership of oil companies, while FIRA assesses whether Closer Israel-Egypt links sought new foreign investments are

come they were.

acceptable in Canada. Although most British applications to FIRA have been approved, Lord Moran said, some important ones had

# U.S. cars back in economy rankings

By Jan Hargreaves in New York

IIS car-makers have, for the imports took their market b storm, edged their way bac into the industry's most impotant hit parade—that whit measures fuel economy.

According to the latest surve by the Government's Environmental Protection Agency General Motors has put Detro back on the energy efficient map with its Chevrolet Cheven subcompact.

But the Chevette whitegained seventh place in the year's ranking—the first Amer can car in the top 10 for the years—did so only with the he of an Oriental cousin. Th Chevette's diesel engine is may by Isuzu, one of GM's Japane

associates. Volkswagen, which has bee having a hard time holding i image in the American mark among the flood of new ca pouring out of Detroit, will I pleased by the EPA rankings. The German company tek the top four places in the il. with the diesel-powered, manu-transmission Rabbit (sold the Golf in Europe) aga-taking the number one spot.

The EPA's tests suggest the 1982 Rabbit, which goes sale in October, will offer miles per U.S. gallon in driving, up from the 42 mpg current Rabbits.

Another version of the Rat Another version of the Rabiand two diesel-powered Jeti accounted for Volkswager other top placings.

Fifth place in the list goes:

Japan, with the petrol-driv Honda Civic scored at 41 mi equal to a new diesel car, to I-Mark, from Isuzu. The diesel car, to Cherette rame in with 40 mi

Chevette came in with 40 m Down in the lower rankin --American cars are clawing the way back. In 1981, only two U cars made the 30 mpg lev-This year, there are 13 abo that level. Chrysler's Om Horizon range topped the p with 35 mpg, Ford's Escort Lygot 31 mpg and the new J-ca

from General Motors a appointing 30 mpg. Although the governme agency always adds a warni

that its figures are the result rather than on the road testing the numbers always appear advertising in the U.S., at le on the cars whose ratings :

# Norwegian election begins

OSLO — General elections which is already a minority legan in Norway yesterday with Government, might remain the woman Prime Minister, Dr Gro Labour Party. Although polling began yes- Christian People's parties.

terday in some towns most Norwegians will be voting today. The latest opinion polls showed a heavy swing away

from Labour, which has ruled Norway for much of this century, to the opposition Conservative Party led by Mr Kaare Willoch.

Analysts said that Labour,

political analysts predicting largest party after the electional Repo defeat for the country's first but that Mr Willoch would probably be able to form the Harlem Brundtland, and her next Government in coalitic with the Centre (Agrarian) ar-Economic issues have dom mated the campaign and 1 Willoch, an economist, hi

promised to cut taxes and curbureaucracy.
Labour is expected to wi just over 35 per cent of the vote compared with 42.3 pt cent at the last general ele

tions four years ago.

# THE IMF ANNUAL REPORT

David Marsh considers the IMF's sombre assessment of the problems facing the developing and industrialised countries

# A 'difficult and disappointing' world economic picture

likely to remain high as the IMF says. governments battle to bring down inflation by reining back monetary growth after a period national Monetary Fund warns suffer outright declines in per in its annual report published

and disappointing in important could suffer. with large capital movements and sharp exchange rate changes adding to difficulties of economic and financial management in most countries. In particular, the prospects for developing countries with oil reserves could soon

world continues at a low rate, relatively slow growth in flows portive demand management that period was that the pres-In a sombre assessment of the capita real incomes.

Even those countries which The IMF describes the world had made best efforts to adjust years. economic picture as "difficult their current account deficits The present high level of real

interest rates is creating a drain on the international purchasing countries. This is particularly hitting non-oil developing nations at a time when these countries are already under pressure because of deteriora-

The debt position of the lowproblems facing developing income countries and the nations, it says that under middle-income nations export-'generally inadequate" these conditions many middle-ing mainly primary products restraint, the Inter- and low-income countries might was still manageable at the end was still manageable at the end have contributed to recent of 1980 mainly because of large exchange rate movements, negative real interest rates on which have been larger than their borrowing during previous

> need for the industrial countries to control inflation. however, it seems likely that real interest rates will remain above the abnormally low or negative levels of the 1970s. This underscores the need for "prudent adjustment measures" in many of the borrowing countries. IMF says structural actions and exchange rate changes, accompanied by sup

policies, have a crucial role to The IMF says the magnitude

and rapid shifting of external imbalances on current account anything witnessed since the currency realignments of the It says that the large real

changes in exchange rates between the U.S. and the members of the European Monetary System over the past 18 months have not been caused solely by divergences in monetary policies. Attempts to moderate these changes should not be limited to the reduction The main problem during

sures on exchange rates arising from restrictive monetary policy in the U.S. were added, for the EMS countries, to the pressures that resulted from their large current account deficits." Exchange market interven-

tion by central banks "may at times play a useful role in limiting short-term movements in exchange rates." But when interest rate movements are as large as they have been in the U.S., "it may not be possible to avoid exchange rate adjustments." The Fund says "there are

sound theoretical and practical reasons to anticipate a substantial decline in nominal interest rates when inflationary expectations subside." Exchange rate changes have

"Upward pressures on prices and wages have been intensified in countries with sharply depreciating currencies. . . . Producers in some of the countries with markedly appreciating cur-rencies have found their inter-

impaired " Countries have faced the dilemma of whether to tailor monetary policies to domestic or external objectives.

national competitive positions

"Not infrequently, monetary policies deemed appropriate for trol if policies of restraint are domestic purposes have contri- not relaxed prematurely and buted to conditions in financial are accompanied by appromarkets that were not condu- priate fiscal policies. cive to short-term external equi-

impaired efforts to move out of the same token, monetary poli-their fiscal policies. the international recession, cles designed to give substantial weight to external objectives have sometimes threatened to produce unwanted domestic consequences." Among the more encouraging

aspects of the international

economic position are signs that the inflationary surge of 1979 and 1980 has abated, giving an opportunity for its reversal. Monetary expansion in the

major countries has been considerably constrained. It might be brought under lasting con-

Most governments in the librium and orderly exchange larger countries are making markets," the Fund reports. "By "strenuous efforts" to tighten "strenuous efforts" to tighten

Making allowance for the state of demand and capacity utilisation, central government deficits in 10 major countries covered by an IMF survey are expected to have net contrac, tionary effects in 1981 ranging from the equivalent of 0.5 per cent to 2.5 per cent of gross, national product, and average

ing 1 per cent.

The restrictive shift in fiscal policies stems partly from cor-cern over the financial implications of existing deficits, which are large by historical standards in nearly all countries. It. also reflects widespread dis-illusion over the results, in terms of growth and employ ment, of the large imbalances of the second half of the 1970s.

# Praise for recycling of oil exporters' cash surpluses

THE IMF says that the smooth recycling of the large cash surplus of the oil exporting countries over the past two years has been a "reassuring" factor on the world economic

Most of this recycling has been carried out through private market channels.

Many horrowing countries
despite the rise in real costs of credit, have gained valuable time for adaptation and adjustment through the continuation on a large scale of international lending by pri-vate financial institutions."

Referring to its own expanded activities, the Fund says it now has in place and that permit further enlargement of its role."

During 1980, new loan commitments and other use of Fund resources reached a total SDR 9.5bn, two to three times the level of previous years. The corresponding total for the first half of 1981 is even larger at nearly

The economic programmes underlying these figures "offer solid grounds for hope that orderly adjustment towards viable external positions for the longer run will be widely The current account deficit of industrial countries is

expected to fall this year to

while the surplus of the oil

from \$44bn in 1980,

SDR 10bm

exporters will drop to \$96bn from \$112bn last year, the Fund forecasts. All figures exclude official transfers. But the combined current account deficit of non-oil developing countries is proted at \$97bn this year, up from \$82bn in 1980. The large and sudden shifts

since 1978 have required equally sharp alteration of giobal flows of capital and reserves. The non-oil developing countries greatly expanded their external borrowing in 1980 and also virtually ceased their earlier accumulation of

countries shifted last year

from net lending (and/or

reserves.

Most industrial

in current account balances

reserve accumulation) in international markets to net borrowing. In a number of respects, the international banking system was better prepared in 1979-80 to continue the international financial inter-mediation process than in 1974-75. The aggregate current account deficit of the non-oil developing countries in 1980 was considerably smaller than in 1974, relative

to the overall scale of international banking flows. Major banks had also improved their standards for managing international assets and liabilities and supervisory and regulatory authorities have been paying closer attention to prudential

aspects of international The ratio of long-term external debt of non-oil developing countries to their exports declined from 1979 to 1980, and is now the lowest for any time since 1974. The ratio of this debt to gross domestic product has remained roughly constant at

between 20 and 25 per cent.

which is still however, well

above the ratio observed in

The indebtedness position of these countries, however, has been wersened by recent changes in the majurity composition from long-term to short term debt, which is less fully covered in reported

# Accelerated growth of reserves THE GROWTH of total reserves excluding gold accelerated to 19 per cent last year compared total reserves at the end of 1979. The share of the D-Mark in total reserves at the end of 1980 total reserves at the end of 1980 total reserves at the end of 1980.

with growth rates of 11 per cent in 1979 and 8 per cent in 1978, the IMF says.
Reserve diversification continued last year with official

holdings of dollars increasing by SDR 11bn but the principal nondollar currencies held in official reserves—D-Marks, Swiss francs. en, sterling, French francs and Dutch guilders - increasing by SDR 19bn. Making allowance for the

holdings of European Currency Units Assued against dollars among EEC countries, the share of the dollar in total foreign exchange reserves identified by currency fell to 73 per cent at the end of 1989 from 79 per

was 14 per cent (end-1979, 11.3 per cent), Swiss franc 4.1 per cent (3.2 per cent), yen 3.7 per cent (2.8 per cent), and sterling 3 per cent (2 per cent). Identified reserve holdings on the Euromarkets totalled SDR 73.6bn at the end of 1980, up from SDR 64.9bn in 1979, of which SDR 53.3bn was in dollars and SDR 20.3bn in other

In a section dealing with the adequacy of world reserves, the Fund says the ratio of non-gold reserves to imports for all countries combined fell from 25 per cent in 1973 to 20 per cent in

currencies.

The ratio for major industria countries dropped to 16 per cent from 23 per cent, while the ratio for oil exporters increased from 59 per cent to 63 per cent This calculation, however, ignores the effect of the rise in the gold price on countries It Serves.

value of gold reserves was 160 per cent of that of non-gold ie 67 per cent for non-oil develop ing countries and 20 per cent for the oil exporters.

In May this year the marke

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# Czechs begin to feel India's impact of fall in exports from Poland moves ahead

BY PAUL LENDVAI IN VIENNA

CZECHOSLOVAKIA'S economy is being burt by a lag in de and buyer of Polish coal and liverles, from Poland, the sulphur. It extended large country's third largest trading credits in 1957, 1962 and 1965 partner after the Soviet Union to the tune of roubles 462m in

Press conference last week by sulphur and coal. Mr Frantisek Mares, First In turn, Poland signed Deputy Foreign Trade Minister, livery commitments—forat the International Engineering Trade Fair at Brno. He said ation agreements account for that Czechoslovakia's active 26 per cent of the total trade participation in the international division of labour. Czechoslovakia exports magnetic active all in the Capitalist again. omic integration, was one of the print, glass as well as a wide most important conditions for range of machinery and equipthe development of its economy ment to Poland.

in the 1980s. • Romania has signed a \$120m
Though the minister did not loan agreement with the U.S. go into details, economic re- Export-Import Bank to help ports reveal that Poland's share purchase two turbo-generators in Czechoslovak foreign trade for its Canadian-bulit nuclear has dropped from 8.1 per cent power plants, Reuter reports in 1979 to 7.6 per cent in 1980. from Vienna. The loan, for 18 Two-way trade this year could years with an eight-year grace remain well below the figures period, was signed by the for 1977. This means that even Romanian Bank for Foreign under optimum conditions Trade and Romanergo, the trade could reach only roubles 1.27bn (£927m) as against roubles 1.34bn in 1977, no details. The generators, to roubles 1.3bn in 1978 and he manufactured by General roubles 1.48bn in 1979. Last Electric and Finmeccanica and year turnover slightly exceeded Ansaldo SPA of Italy, will cost

Czechoslovakia is an importand East Germany.

all for the construction of in-

Jaguar

project

By K. K. Sharma in New Delhi

THE ASSEMBLY of Jaguar

factory of Hindustan Aero-

nautics has started under terms of the film deal with British Aerospace. Mr

Shivraj Patil, the Minister of State for Defence, told

This means that the Indian

Government is carrying out the second part of the agree-

ment with British Aerospace under which 40 aircraft were

to be imported in the first

phase and another 45 assembled at Bangalore after

being imported in knocked down kit form.

Mr Patil said this was being done as part of the "binding

part" of the agreement with British Aerospace, but he

would not give details of the Indian Government's position on the controversial final

phase of the agreement under

which the Jaguar was to be completely manufactured in

The Government is known to have decided in principle

to scrap the final phase of the agreement so that it will be

in a position to buy and manufacture other aircraft it considers superior. A firm decision to prematurely terminate the Jaguar project

has not, however, been taken, and British Aerospace still

considers it has a full contract

considered is the French

Mirage 2000, built by Dassault

Breguet, and negotiations on

acquiring 150 such aeroplanes are now in an advanced stage.

A mission is to visit France

2000 be acquired to meet the threat from the U.S. F-16s to

be supplied to Pakistan under a recent \$3bn arms deal with Pakistan.

ject which will convey gas from fields in western Siberia

to Western Europe. However,

the Russians appear in-

terested in borrowing \$600m to finance the purchase of up to seven gas compressor plants from three Japanese consortia — the groups con-cerned are Hitachi and Marubeni Corporation, Toyo Engineering and Mitsui and Co., and two member companies of the Mitsubishi group. Negotiations on the loan will start next Thursday when Mr Victor Ivanov, the Soviet Deputy Trade Minister, is to

arrive in Tokyo.

No relief in

world's tankers

THE CHEERLESS trend in world shipping was high-lighted last week by an inter-

national report which painted a depressing short-term pic-ture for tankers and said the

outlook on the dry cargo side

In a week which saw little improvement in tanker busi-ness, the OECD (Organisation

for Economic Co-operation and Development) noted that over 60 per cent of the independent world tanker fleet—or 121m deadweight.

tons—was on spot and very short-term charters or in-

This, said the Paris-based

organisation was "very depressing for 1981 and beyond." It saw no short-

term upturn in view of high oil stocks in industrialised

nations and declining con-

Because of the hoom in grain and thermal total trad-

ing, the dry bulk cargo mar-

kets reached record levels

last year. But it added in its

annual maritime transport review: "The outlook is un-

certain because of the non-

structural elements in the

boom situation and a signi-

ficant decline is expected in

1981 and early 1982, a fact

reflected in the virtual absence of long-term charter-

While coal and grain activity seemed to pick up a little last week, Galbraith

Wrightson reported that the expected demand for large

tankers in the second half of September had not

materialised. As a result, there has been something of

sumption.

ing." While

sight for

was uncertain.

Japanese steel makers already have supplied pipe te be used in the Yamburg project. The Soviet Union regularly purchases large amounts of such pipe from

Tokyo bank

set for

pipe talks By Charles Smith in Tokyo THE JAPANESE Government has given permission to the Export Import Bank to negotiate loans to the Soviet Union for use in connection with the long-delayed Yamburg gas pipeline project, it was confirmed at the week-Japan regards itself as a

<del>commit</del>ment to India.

Parliament last week.

In turn, Poland signed deabove all in the Socialist econ-nesite, Kaolin, castings, news-

foreign trade enterprise, in Washington, it said, but gave about \$150m.

### **World Economic Indicators** TRADE STATISTICS

		JE SIAID	<u> </u>		
		July '81	june '81	May '81	July '86
U.5.A. \$6n	Exports	19.264	19.870	18,869	18.267
•	imports	20.664	21.975	21,310	79.139
	Balance	<b>—</b> 7.400	一2.705	~2.441	<u>-0.872</u>
France FFbn	Exports	48.258	47.970	47.010	40.974
	Imports	<i>54,3</i> 73	53.900	. 50,357	47.639
	Balance	-6.115	<b>-5.930</b>	-3,347	-6.665
W. Germany DMbn	Exports	36.26	32_40	31,30	29.20
	Imports	32,59	36.70	29,78	., 29.10
	Balance	+3.67	+1.70	<b>+⊺.60</b>	+0.70
Japan Son	Exports	13.600	12,590	12,470	11.241
,-,	Imports	12.0 <b>70</b>	18,010	11.320	11.128
	Balance	_ +1.530	+2.580	+1.150	+0.713
		June '81	May '81	Apr. '81	June '80
Holland Fibn	Exports	15.055	13,507	13.864	11,882
	Impores	15.488	13.718	14.024	13.234
	Balance	-0.633	-0.211	-0.160	-1.352
	• • • • • • • • • • • • • • • • • • • •	May '81	Apr. '81	Mar. '81	May '80
Italy Lirebn .	Exports	6,192	7,265	5,250	5,597
· :	imports	9,064	9,387	7,114	7,089
· -·	Balance	<b>—2,872</b> .	-2,122	<b>— 1,864</b>	÷1,492

# Interim Report

he unaudited results for the Group for the six months to 4th Jul 1981, prepared on a historic cost accounting basis, together with the comparative figures for the previous year, are as follows:

•				
		6 months to 4.7.81 £000	6 months to 28.6.80 £000	12 months to 10.1,81 £'000
	SALES TO EXTERNAL CUSTOMERS	66,830	69,278	141,260
	TRADING PROFIT/(LOSS) Redundancy Costs (net)	5.252 (151)	(767) (1,711)	(6,369) (4,800)
ļ	Interest payable less Dividends and Interest receivable Loan Interest	(2,326) (9)	(2,663)	(6.460 <u>)</u> - (27)
	PROFIT/(LOSS) BEFORE TAXATION AND	<del></del> :	· <del></del>	· — ·
	EXTRAORDINARY ITEMS TAXATION	2,766 (196)	(5,155) 867	(17,656) 4,984
	PROFIT/(LOSS) AFTER TAXATION AND BEFORE			
	EXTRAORDINARY ITEMS Extraordinary Items net of	2,570	(4,288)	(12.672)
1	Taxation	(365)	(350)	(2,911)
	PROFIT/(LOSS) AFTER TAXATION AND			
	EXTRAORDINARY ITEMS Minority Interests	2,205 (1,077)	(4,638)	(-15,583) (421)
	PROFIT/(LOSS) ATTRIBUTAB TO ORDINARY		4.400	414 0041
1	STOCKHOLDERS	1,128	(4,639)	. (16,004)
-	Earnings per share: '	: ?.675p	_ : <sub></sub>	

In the Chairman's Report to the Accounts for 1980 it was anticipated that the first six months of 1981 would show a loss with a return to profitability in the second half of that year provided sterling did not appreciate over the exchange rates then ruling and that costs would be kept under control. Since then the movement of sterling, particularly against the dollar, has been advantageous, not only in determining the above results but also in increasing the sterling value of overseas which, by applying the rates of exchange ruling at 4th July 1981 have been enhanced by £4,004,000. It is pleasing to be able to report trading profits of £5,252,000 for the six months of the year which compares with a loss of £767,000 for the comparable period in the previous year. However, after deducting redundancy costs and interest charges, the profit before taxation and extraordinary items was £2,766,000 which compares with a loss of £5,155,000 in 1980. After providing for taxation, deducting extraordinary items and minority interests, the profit attributable to ordinary shareholders is £1,128,000 which compares with a loss of £4,639,000 for the first half of 1980.

As regards our recent acquisitions, the trading results of the Capetronic Group have not been included as the acquisition of the metassets was not completed until 19th June 1981 but will be so for the second six months of the current year. Astec International Limited became a wholly owned subsidiary on 13th July 1981 with the purchase of the outstanding 46.4% of the share capital from the other shareholders and the profits parmally applied to that minadisk which holders and the profits normally attributable to that minority, which amounted to £1,090,000 for the period under review will, for the second half of the year, become wholly attributable to the stockholders.

Turning now to the second half of the year the outlook is mixed Trading conditions in the UK remain extremely difficult in all sectors of our business and if the high rates of interest in the USA continue throughout the year then it would be reasonable to assume that they must begin to impact adversely upon consumer spending there. Action is continually being taken to reduce our operating costs still further and as in the past year or so, emphasis is being maintained on the control of cash through further reductions in working capital, especially stocks notwithstanding the fact that all major factories are now working normally. We shall, of course, benefit overall if sterling remains at its present level but the exchange markets have been too volatile in recent months to be able to forecast with any degree of certainty what sterling's months to be able to forecast with any degree of certainty what stering's relationship with the other major currencies will be at the end of this year. The level of business is being well maintained in our Far Eastern operations and the Management of Astec International Limited are confident that they will achieve the profit forecasted in the circular to shareholders dated 25th June 1981 whilst a useful contribution is anticinated from the Contribution of samples. pated from the Capetronic Group of companies. Overall therefore we expect to make further progress in returning the company to profit-

shares who are on the register at close of business on Friday 16th

**BRITAIN'S LEADING EXPORTERS** 

# Sales jump to £2.3bn keeps BP on top

North Sea oil deliveries lifted from companies directly. aircraft at the Bangalore export revenue 1.7 times over 1979 to £2.3bn.

> but Esso Petroleum climbed to eighth from twelfth position. selling difficult. The two companies act together If inflation is occurred, would be less impres in 1979, 94 companies accounted cent of the 1980 national export of North Sea oil on to world sive. Significantly, the figure for half of UK exports, figure.

In the top five, the only change has been the switching of places between BL and Ford. Both have been hurt by the strength of sterling and the recession. Although BL gained one place, it ran its export business at a loss. Ford's sharp fall in export revenue, as vehicle exports dropped from 239,000 to 166,000, was cushioned by component sales.

GEC held its position of fifth, while Rolls-Royce climbed to tenth from fourteenth and British Aerospace gained one place to sixth. All three have in common sales of high tech-nology defence equipment as a buffer against the recession. But GEC's generally strong performance since the period covered by the table suggests that in next year's list it will move up at the expense of the

motor companies. Further down the list, changes in position have been helped by mergers. Racal advanced to 32 from 51 in 1979, having absorbed Decca which had been 94 in 1979. Similarly with Rolls-The main pircraft being Royce Motors consolidated and hence leaving the list, Vickers climber 30 places to 41. But Thorn, with four months of EMI — 95th in 1979 — included shortly for final talks.

The Defence Ministry has recommended that the Mirage in its figures, slipped one place

to 37.
The export figures used in the table relate to financial years which finished during 1980,

BRITISH PETROLEUM unless otherwise indicated. They needed to climb into the list for excluding diamonds.

So the figures cover a troubled Place\_ 1979 to £2.3bn. period. as exporters contended The table does not indicate such a figure.

The same factors moved Shell with rising costs at home as curany radical change in the nature. The matching period of the cost of the matching period of the cost of th to seventh from eighth position, rency disadvantages and sluggish markets abroad made

of British exports.

The two companies act together If inflation is stripped out of a relatively few companies, is apparent. The top 10 it is almost impossible in lists of in the North Sea, and Esso's the formal direct export figures. Earlier this year, the Depart exporters had direct sales this kind to avoid some errors advance suggests that last year the growth in revenue, where it ment of Trade calculated that, abroad equivalent to 19.9 per or omissions. It is hoped they

In calendar 1980, total UK remained the UK's largest are for direct exports from the 1980 — £54m for Sears — was In calendar 1980, total UK exporter last year as higher UK and have been extracted only £400,000 more than the visible exports were £47.4bn.

abroad nearly 13 per cent or to draw more companies into the The matching up is not exact because not all the company But the table emphasises the figures coincide with the calenconcentration of exports among dar year, but the concentration

the list with direct exports of £100m and over. And it seems prices and a bigger volume of from annual reports or obtained £53.6m earned from exports in The top five exporters on the likely that the concentration will North Sea oil deliveries lifted from companies directly. 1979 by Lonrho, then in 100th list earned from direct sales continue despite official efforts likely that the concentration will exporting net. Only the fittest are surviving as the sharp internal squeeze forces plant

As stated in previous years, will be brought to our attention by the companies concerned.

### THE TOP HUNDRED EXPORTERS—1980

(Previous year's ranking in brackets)

		£M	£m.				£M	±m		•	<u>£</u> m	£m
1 (1	) Brit Petroleum	2,289	7,326	3	5 (49)	Kodak ·	160.9	- 108	71 (	S6) Gulf Oil	77.3	89.4
2 (2	) ICI	1,173	7,108	37	7 (36)	Thorn	151.8*	128,1	72 (6	i3) Acrow	77.1	87.2
3 (4	) BL	880	865	3	3 (31)	) Dunlop	149	155	73 (7	70) BOC Intal.	76	76.4
4 (3	) Ford	852	7,018	3	(54)	Michelin	148	93.2	74 (9	0) Assoc. Engineering	76	62 1
5 (5	) GEC	805	<i>7</i> 51	44	(32)	Babcock Inthi.	146.5	150.6	75 (	59) Stone-Platt	74.7	88.3
6 (7	) Brit. Aerospace	78 <del>9</del>	558	4	(71)	Vickers	142.1*	102_3 (	76 (8	6) Coats Patons	71 <i>.T</i>	63.4
-7 (8	) Shell .	787	561	4			139.1	1?7.2	77 (6	67) Du Pant	71.4	77.9
8 (12	) Esso Petroleum	<i>650.4</i>	374	4:	35)	Glaxo	131,6	133	78 (7	75) Metal Box	7?	69.5
9 (6	) British Steel	650	689	44	(44)	Eng. China Clays	130.2	114.1 (	. 79 (8	39) Molins	70.5	62
10 (Ì4	) Rolls-Royce	554	348	4	(60)	Burmah	128.2	88.1	80 (S	91) Pilkington	72.3	61.3
11 (10	) Courtaulds	493	414	46	(43)	Cummins Engine	127.6	116	81 (6	66) Monsanto	70	80.5
12 (11	) Unilever	454.8	392	4	(47)	Northn. Eng.	127	112	82 (8	84) J. C. Bamford	6 <del>9</del> .1	64-8
13 `(9		452	431	4	(88)	Dowty	127:9	62.1	83(10	00) Lonrho	67.5	53.6
14 (Ì3	) Massey-Ferguson	428.3	351	49	(38)	Intal. Harvester	124.3	122	84. (	74) Imperial Group	66.9	66.2
15 (16	Distillers	386.7	333	5(	(6)	S. Pearson	123.6	87.4	85 (E	7) Rowntree Mack tos	h 66	63
16 (15	Coneco	343	342	5	(35)	Simon Eng.	172.7	127.8	86 (8	31) Borg-Warner	65.5	66.4
17 (17		289	314	57	2 (45	Turner & Newall	112	114	87 (-	—) Shorts	65.1	45
18 (30		251.3	174	53	(48	ICL	111.2	1115	88 (8	80) Allied Breweries	65.1**	88
19 (24	) Brit. Shipbuilders	251	201	54	(40)	John Brown	118.2	118.1	89 (7	76) Bluc Circle	64.5	69.4
20 (27		243.5	189.8	5:	(53	Wellcome Found.	107	96		STR	62.7	55.6
21 (18	,	235	239.9	S (	(41)	Rio Tinto-Zinc	105.3	117.7	91 (-	=) UDS	61.3	47.3
22 (23		234.5	209	57	r (64	Albright & Wilson	103	87	92 (-	—) Smith Industries	60	52
23 (29		230.2	176.8	56	ì (65°		102.3	74.6	93 (9	93) Arthur Guinness	59.5	59.4
24 (19		229	223	5	7 (62		700	87.2		3) Weir Group	58.4	65.4
	) Lucas	223.9	191.4	66	(46	Plessey	97.4**	113.7	3	—) Cadbury Sch.	58.3**	48.9
26 (20		217.1	209.4	6		Assoc. Octel	94.9	96.3		—) Wedgwood	57	48
27 (26		215.7	190.9	62			94.7	77.3		-) Bowater	55.5	44.5
28 (22		211	263†	6		Seagram	93,3	88.3		96) Tootal	55.411	56.8
29 (28)		2045	177.2	64		Beecham	92.2	90		—) Automotive Prods		47.5
30 (21)		193.1	215.7	61	(92		91.9	60.4		—) Sears	54	47
31 (39)		189.4	121.4	ŭ	(79		91.4	68.2	(-	_, _,		
32 (51		189*	99.3	67		Esso Chemical	28.5	88.4				
	) Caterpillar Tractor		135	68			79.2	69.7	+ No	t comparable, see text		
	Ciba-Geigy	167.2	148	69		D. Brown Tractors	78.3	68.8	† 15 <sub>-1</sub>	month period.    Yea	r ending	January
27 (33)	i Cine-ciela	107.4	100	7.		Washand	70.3	EE 1	1001	** EZ waaks	•	



# How long has your insurance salesman been at his present address?

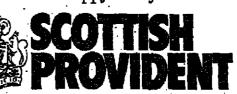
Think twice before acting on the advice of the next life assurance salesman who knocks on your door. Will he still be around when the time comes to fulfil his promises?

At Scottish Provident, we deal only with established professionals. And, since we value people more highly than things, we distinguish between those who specialise in fire, auto, and theft, and those who can find you a really tax-efficient, flexible savings plan or a sound life policy.

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Not always easy. But you would be well advised to seek the help of a registered insurance broker. Write to us and we'll send you a list of those who practise near you. They'll be more interested. in arranging a life policy or pension plan that's right for you, than in selling you a lot of extras.

We'll be happy if they recom-



mend Scottish Provident (After 140 years of specialising in people, we're among the best in Britain) But they may recommend another company in order to match your precise needs.

Either way, you'll be in safe hands. Dealing with a qualified man who'll be around to advise you for years to come. Before you sign anything, send for the list.

The Scottish Provident Institution, Head Office, PO Box 58, 6St. Andrew Square, Edinburgh EH22YA.

Member of the Associated We value people more highly than things. Member of the Associate Offices. Scottish Life Offices.

The Directors, therefore, propose that an interim dividend of 0.5p per share be paid on Friday 11th December 1981 to holders of ordinary

# NRDC makes 16 top executives redundant in reorganisation

ment to both the NEB and the

exist as separate stantory

year or so. The same people also form a new British Tech-

nology Group Council which will co-ordinate policy under Sir Freddie's chairmanship.

Because of these arrange

ments, three executive board members of the NRDC have lost

their boardroom seats, and have

been given new jobs in the

finance director, who has

become head of a combined

operations division for elec-

tronics and information techno-

logy: Mr Steve Dolland. marketing director, who is new head of corporate development:

and Mr Peter Randell, NRDC

secretary, who continues in the

same post without a board seat.

sation have been arranged

functionally based on three main groups: "technology trans-fer." which develops and

licences public sector iven-

tions: "investment," which will

start new projects; and "opera-

tions" which will monitor and

Specialists in these three

develop existing investments.

groups will handle electronics and information technology

(housed in the NEB head-

quarters) and engineering.

chemical and biological sciences

(housed in the NRDC offices).

loan market but Mr Tim Cong-

don, Messel's economist, says

that this "is not the whole

story."
He says that the banks may

be taking the view that the Bank

of England's quantitative credit

guidelines, which are supposed

to discourage lending to persons

and are still nominally in force, have in practice been sus-

The banks are therefore com-

peting aggressively in a market

interest rate reductions as these

credit. In addition, it argues

there is no need for fiscal refla-

current year. As a result,

consumer spending is expected to fall by 1 per cent.

plus on the balance of payments is forecast to fall from

an expected £6.3bn this year

to £2.8bn in 1982. The pound

is expected to recover against

the dollar to around \$2.0 per pound but effective sterling

exchange rate is expected to

fall by 7.9 per cent in 1982, after rising 3.6 per cent this

tors at Birmingham University

that another rates increase in October would force more com-

on capital value and not on a

hypothetical rental value; rate-

payers should have the oppor-

tunity to offset their rates

against income tax; and relief

should be granted from water charges as a rebate for those

on lower incomes and for the

He said rates should be based

The current account sur-

Bank personal loans rise

BANK LENDING to the the banks' entry into the home

More than £1bn was lent would only fuel the personal

lent during the latest quarter sector's voracious appetite for

comparable period of last year. tion since private sector bor-

The growth is due in part to rowing will boost the conomy.

Inflation 'will rise in 1984'

MP issues rates challenge

AN MP has warned that a rate- Local Government Administra-

" Just

to 'Barber boom' level

Line activities of the organi-

They are Mr David Thomson,

merged organisation.

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A TOTAL of 16 senior execu- A common 12-man board has tives, including one board been appointed by the Governhave been made redundant from the National NRDC which will continue to Research Development Corporation which is now being merged organisations until merger legislation is introduced in a with the National Enterprise Board in the new British Technology Group.

new organisational structure has been introduced and last week the joint departments were rearranged in the NRDC's London offices and in the NEB's headquarters in Grosvenor Gardens.

The former NRDC board member who has left is Mr John Scholes, 63, who was the chief executive in charge of engin-eering investments. Like some of the other 15, he has taken early retirement on special terms negotiated five years ago when the NRDC last went a slimming-down

The 16 were considered surplus to the new management structure which has been designed in detail by Mr Brian Willott, the civil servant who is the group's chief executive. Broad organisational lines were laid down first by Sir Freddie Wood, the chairman of the organisations.

The departure of the 16, and the reorganisation, has caused a slump in morale at NRDC. But both Sir Freddie and Mr Willott believe that this will rapidly recover now that new jobs and offices have been allocated to the group's 282

BY WILLIAM HALL

'Barber boom.'

personal sector is growing at an

annual rate of more than 60 per

cent and is now matching the

growth rates last seen when Mr

Anthony Barber was Chancellor

of the Exchequer in the early

1970s—a period known as the

A "speculative expansion" in bank lending to private indivi-

duals for house purchase and

other reasons is currently under

way and the pace appears to be

accelerating according to the

weekly gilt-edged review of

stockbrokers. L. Messel & Co.

In the three months ending mid-February 1981, personal

lending by the London clearing

banks was growing at an annual

rate of 24 per cent. In the sub-

sequent quarter, the growth

rate accelerated to 45 per cent.

to mid-August, the rate of

to personal customers-more

than twice as much as in the

THE ANNUAL rate of price inflation will remain roughly at its present level of just

over 10 per cent for the next

year and a haif and will

accelerate to 14.5 per cent in

1984, according to the latest

estimates from the Henley

Wage increases during the 1981/82 pay round will in general be below the going

rate of inflation and real incomes will fall nearly 1 per

cent next year after a decline

around the corner."
Mr John Heddle, Conservative

MP for Lichfield and Tanworth,

also challenged Mr Ken Living-

stone, leader of the Greater

London Council, and the leaders

of other authorities contemplat-

ing levying a supplementary rate this autumn, to hold a Coventry - style referendum

Mr Heddle told the annual conference of the Institute of disabled.

among their ratepayers.

payers' rebellion was

Centre for Forecasting.

growth is 61.3 per cent.

# **Action call** on women's industrial training

FULL TRAINING opportuni-ties should be available to girls and women, and the objective of taking action to ensure this should be incor-porated into plans for reforming industrial training, the

Equal Opportunities Commission has suggested.

The EOC agrees with the Manpower Services Commission's New Training Initiative consultative document that the broad objectives for reforming industrial training would be to reorganise apprenticeships, develop voca-tional preparation and open

up widespread opportunities for adult retraining. But it sees a need for an extra commitment to increase opportunities for women.
It is essential to recognise that the problems facing women do not begin with employment but with the "obvious sex-differentiation which is found in the school curriculum," the commission

If the New Training Initiative is to succeed it must include measures for dealing with this problem in schools. The under-representation of women in apprenticeships and vocational training must be seen against this educational hackground, says the EOC. Only 5,000 of 150,000 apprentices in manufacturing are

female. Training course participants should be classed as trainees rather than employees. This organisers to use the positive discrimination provisions of the Sex Discrimination Act which provide for positive discrimination in relation to training but not in relation to

access to employment."
The EOC believes that if the New Training Initiative is to succeed, a legislative framework should be provided to establish a central body to co-ordinate training

Implementation in each sector of industry could then be the responsibility of industrial training boards, using a combination of their own initiative and voluntary action

Building society bond THE ALLIANCE Building which for many years has been under-exploited. Messel says: Society is to offer investors a fixed rate of interest for a year, through a one-year fixed

"We are witnessing a genuine upturn in private individuals' rate bond. demand for credit which will go The rate (10 per cent a a long way to compensate for year net of basic rate tax) the current weakness of corporbe guaranteed up to August 31, 1982, when in-It concludes that the personal vestors will have the option And in the latest three months. lending boom means that it is of renewing the bond at a unrealistic to expect large new guaranteed rate.

Food spending up 5%

HOUSEHOLD spending on food in the first quarter of this year was up by just over 5 per cent on the same quarter of 1980, National Food Survey figures show.

Average expenditure on food in the first quarter was £7.34 per person per week. This was 9p—or 1.2 per cent—up on the previous quarter and 37p (5.3 per cent) up on the first quarter last year.

Credit demand rises A SLIGHT recovery in demand for consumer credit facilities in August is reported by the United Association for the Protection of Trade, the largest credit

The association reports that demand was only 2 per cent below the level of August lest year. In July, demand was 5 per cent down on last year.

information agency in the

£15m mine contract THE THIRD phase of the coal handling works at the Gascoigne Wood drift mine at the new Selby coalfield in Yorkshire has been awarded to Babcock-Moxey of Gloucester, a subsidiary of Babcock

International. The £15m contract covers the design, supply and installation of two rail loading stations and 17 surface conveyors, among the biggest in the UK.

# Doubts still follow fixed Channel link

BRITAIN and France will be loined physically by 2000 if the goodwill shown by their Governments last week for the idea of a fixed link across the English Channel does not break down over finance or unrealistic traffic forecasts,

remaining after last week's euphoria are the availability of finance for a fixed link and the realism of traffic forecasts. The forecasts form the basis of proposals from eight major groups for bridges, tunnels or a mixture of each.

Mrs Margaret Thatcher, the Prime Minister, insists the British part must be financed entirely by the private sector. President Francois Mitter-rand's position on finance is uncertain. He is unlikely, however, to have nightmares about resorting to public finance.

The British Government's criteria for allowing a fixed link to proceed were snelt out in March last year by Mr

CHANNEL LINK PROPOSALS Traffic forecasts/year by 2000 Passengers 12.900 6.7 95 848 BR single-track rail only Channel Tunnel 8.9 Developments (1981) 10,1 European Channel Tunnel n/a\_ 539 to 3.256 Group: five options 3.000 forries Link into Europe 1.750 n/2 n/a **Eurobridge Studies** 3.245 n/a ·n/a 19.1-27.5 12.9-19.6 Euroroute-BSC 3,800

Norman Fewler, Transport Minister.

"I should make it clear the Government cannot contemplate finding expenditure on this scale from public funds. However, is a scheme is com-mercially sound I see no reason why private risk-

capital should not be availble," he told Parliament. He ruled out financial guarantees but added in a statement that has not been clarified that he did not consideration of guarantees in the wider area." Most of the eight groups whose schemes are being studied by the Transport Department insist their prosals, if accepted, should not be stopped in mid-stream by this or a future Government deciding Britain does not want a fixed link. Britain withdrew unilater-

eement to proceed with a mel, in winter 1974-75, after tramel, in winter 1974-75, after 266 metres had been bored from Dover by British contractors using a specially built excavating machine. It would be builder wants to be left without guarantees that the same ball not recur. So cautious have bidden become, however, that they favour guarantees on traffic levels, in case their own fore casts prove too optimistic when the link is enemed to passenger and freight traffic in the 1990s.

Prof. K. Gwilliam, profes

Prof. K. Gwilliam, profes sor of transport econ Leeds University, specialist adviser to the Commons Transport Commit tee which reported on Th Channel Link this year, sai he had difficulty acceptin some traffic forecasts from British Rail because man essumptions on which B based forecasts depended o factors beyond BR's contro

# Lynton McLain describes the plans being considered

 BRITISH RAIL is advised by Krupp, Trafalgar House (which S. G. Warburg, merchant bankers. It was first with a workable scheme. A prelimi-nary technical and economic study by BR and SNCF (French Rail) was submitted to Mr William Rodgers, then Labour Transport Secretary, in Feb-

It called for a single-track, rail-only tunnel of 6.02 metres diameter with a pilot/service tunnel 4.5 metres in diameter. The scheme was refined over

the past 18 months. BR has revised forecasts of freight and passenger traffic and of the likely rate of return on the company set up last month by investment.

Tarmac, Wimpey, Robert Fleming and Kleinwort Benson, costly and ambitious scheme. The likely final cost is £3.8bn.

It is promoted by Mr Ian MacGregor, chairman of British Steel, the main partner in EuroRoute. The proposal is for a combined road and rail fixed link, with artificial islands in the

Channel It would be based on

bridge and tunnel. Other members of the Euro-Route consortium are Redpath Dorman Long, a BSC subsidiary. Sir Robert McAlpine & Sons.

owns Cementation and Cleveland Bridge and Engineering Company), Technip of France and John Howard, the British engineering company.

Engineering studies for EuroRoute are by Mott, Hay and Anderson. Traffic and revenue studies are handled by Coopers and Lybrand Associates, joint-publisher of the main study for authors of the main study for the European Commission into the community benefit of a fixed crossing. Lazard Brothers is

the financial adviser.

Channel Tunnel Developments (1981). This is the joint merchant bankers, as a "demonstration of intent to undertake the promotion, financing, construction and operation of the Channel tunnel project."

The three-phase plan is based on the scheme approved by Britain and France under an agreement signed on November 17 1973 but dropped by Britain a year later.

Phase I calls for a 7-metre diameter tunnel (large enough for trains to carry lorries) and a 4.5-metre diameter service

Provision for partial terminal costing £539m.
facilities (costing £420m), to • Cross-Channel Contractors is allow special rolling-stock to carry lorries, would be provided under Phase II, to be completed

Phase III would add a second metre rail tunnel and expand terminal capacity at Cheriton, a cost of £480m.

Rothschild and Sons, merchant bankers. It is a consortium of four European construction companies, Spie Batignolles Batiment of France, Costain Civil Engineering, Royal Bos Kakis Westminster of The Netherlands and Philipp Holamann of West Germany.

Joint chairmen of the group are Sir David Nicolson, MEP, and M Pierre Billecocq, a former French Minister of Transport.

Studies of five alternative schemes are proposed. These range from the £3.2560n scheme

tunnel by 1990 at a cost of way and a dual two-lane motor-£830m. Initially however the way, to a single-track, rall-only 7-metre tunnel would cater for runnel 5.6 metres in diameter rail traffic only. with a 3.5 metre service tunnel

advised by Morgan\_Grenfell, merchant bankers. This is a partnership of Balfour Beatty, Edmund Nuttall and Taylor Woodrow Construction, formed in 1972 to build the British half of the last project. The Kent, and Frethun, France, at partnership won the contract a cost of £480m. for the Phase II works in 1973 European Channel Tunnel and finished building access
 Group is advised by N. M. roads and tunnels, and the first and finished building access 260 metres of the pilot tunnel, before the project was abandoned in January 1975.

The partnership favours a bored tunnel. It could enlarge is advised by Morgan Grenft-the BR tunnel proposal to allow It was formed in 1978 to p. the BR tunnel proposal to allow forries to be carried on trains. • Linkintoeurope was formed in spring 1979 to research and promote the design, construc-tion and operation of a bridge. The only shareholders are Sir Ralph Freeman, former senior pariner of Freeman Fox and Partners, and two other direc-

Freeman Fox and Partners

construction and advisers to the

engineers. The original plan called a a 34 km bridge across the Str of Dover. There would be central 18-km multiple sp suspension bridge, with ea main span 2km across. Brid. support piers would be p tected from shipping by ener absorbing crash-barriers or sa islands.

It would carry a dual thr lane motorway. Freeman F looked initially at a road-religible but decided exscarcely justify extra capid In [ 15]

 Euro-Bridge Studies gro ways of "closing the gap tween two road and rail r works of two major econor

It proposes a separate r tunnel and a road bridge car ing two four-lane motorwa and two two-lane auxiliary ros up to motorway size. John Laing Group. This ci engineering group is understo for an immersed tube tunnel, acts as consulting engineers, to have developed ideas for comprising a single-track rational Reduction Dorman Long acts as bridge.

# Labour attempt to protect tied housing tenants

BY MAURICE SAMUELSON

their will should be able to home is really necessary. appeal to a new Housing ibunal, with the power to protect them, according to the Labour Party's National Executive Committee. The proposal appears in a

document published today by the Labour NEC aimed at further limiting the tied housing sector and at strengthening the legal tenure of tied tenants. It calls for a new legal framework to give all occupants the benefit of statutory security of tenure, with provisions for eviction clearly spelt out.

Although the last Labour government acted to protect agricultural workers living in tied housing, these accounted for only one in 10 of the 750,000 householders in tied dwellings. Noting that half of the tied housing is in the public sector. the NEC says major public sector employers such as the Defence Ministry and Health programme.

PEOPLE WHO are forced out Service should consider whether of tied accommodation against the direct link between job and

> The National Coal Board's Other public link altogether. owners of tied housing could also consider delegating its management, or even transferring its ownership to bodies with housing management experience, such as local authorities and registered asso-While saying that all occu-

pants of tied housing should have statutory security of tenure, Labour says its aim "is not to secure their irremovability in all circumstances."

The NEC says it sees tied housing as a symptom of the continuing shortage of decent secure rented housing and of the need for Labour to reestablish a sustained and substantial public sector housebuilding and home improvement

# Profile of non-executive directors

THE TYPICAL non-executive director is appointed by the chairman, has held other nonexecutive posts, is 55 years old and is paid less than £5,000 per annum company.

This portrait emerges from the 1980 survey of nonexecutive directors just published by the London-based consultancy, the Corporate Consulting group. It shows that many non-

executive directors are still closely linked to the chairman. Of those appointed to the boards of Britain's large and medium-sized companies in 1980, 60 per cent were known to the chairman before appointment and 47 per cent were appointed by the chairman acting alone.

The figures reinforce the findings of the 1979 survey, which underscored the powerful position of the chairman in making such appointments.

# Enterprise zones woo financial institutions

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

response they received at a Sellers, chartered surveyors two-day exhibition staged by the Duelley, who was on the town Department of the Environment stand. last week.

Point, home of the Confederation of British Industry, was opened by Mr Michael Hesseltine, Secretary for the Environment. It drew more than 800 visitors.

Exhibitors were particularly pleased by the interest shown by the financial institutions and merchant banks. It had been thought when the zones were set up that the institutions would take some coaxing before involving themselves in projects in run-down inner-city areas. Zones represented Salford/Trafford Park, Dudley.

Swansea, Belfast, Clydebank/ Glasgow, Newcastle/Gateshead, Wakefield, Hartlepool, Speke in Liverpool, the Isle of Dogs in-London's docklands and Corby. The general reaction was each," he said

ENTERPRISE zone represent summed up by Mr Peti latives are delighted by the Sellers senior partner of Alia

This exhibition has be The exhibition, at Centre most encouraging," he sai "Institutional money is no beginning to understand th there are benefits in this co

cept. "We have had firmist inquiries from a number agents and developers at what has particularly pleas us is that some of these ha come after considering oth attractive sites such as Milti Keynes."

Mr Roger Dodsworth, inde trial development officer f Trafford, also found the response "most encouraging." Some of the inquiries may to his Salford/Trafford Pa zone stand had been quite no

One man wanted to put ten nursery units of 625 sq

# 1980 current cost profits fall by 15-20%

BY REGINALD VALIGHAN

a survey prepared by Phillips and Drew, stockbrokers. For the first time, mainly COMPANY METTINGS—
Alisa inv. Tata 24. Birthswood Square.
Glaspow.

Winchester House, 199, Old Broad t, EC, 11,30

Stroet, EC. 11.30
Rasmon Smith Line. Devonshine House.
Gravitars Road. Cardiff, 11.30
Victoria Carpet Hidgs. Green
Kidderminster, 3.00
Wolverhampton Steam Lasndry.
Ravensholt Hotel. Summerbeld Road Chapel
BOARD MEETINGS—

Merchants Tst.
Pearson Longman
Pearson (L.)
Wilker (James)
Pearson (S.)
Wilker (James)
Bullognob Interest PAYMENTS—
Suppose Connection (L.)
Estato Connection (L.)
FFI (UK Financa) Lo. 64apc
Fsshion and General Inv. 8p
Ford Motor BDRs 1.5cis
Ford Motor BDRs 1.5cis
Cestotner Hidgs. Ord. and A Ord. 1.25p
Hondrowell Int. 85cts
New Court Natural Resources (USM) 1p
Tex Abrasives 2.5p
Valvertampton Steam Laundry 0.75p
Walverhampton Steam Laundry 0.75p
Walverhampton Steam Laundry 0.75p

COMPANY METNIGS—
proclated British Engineering, 7. West secting Street, Glaspion, 12.00
Illian Land. May Fair Hotel, Barkeley street, W. 12.00

INVESTORS. Z. St. Mary Axe, EC,

inergy. Savoy Hotel, Strand, WC.

Spear (J.W.), Consumit Rooms, Queen Street, WC, 12.00 BOARD MEETINGS—

Interims: Bramail (C.D.) Low and Bonar

A SURVEY of the leading 140 because of the requirements of ings.
quoted companies in the UK Standard Statement of The survey says that even
reveals that aggregate current Accounting Practice 16, all the though industrial companies in quoted companies in the UK Standard Statement of reveals that aggregate current Accounting Practice 16, all the cost profits for 1980 fell by figures have been provided by 15-20 per cent compared with the companies themselves 1979 and earnings by as much rather than estimated.

as 30 per cent.

The drop in current cost profits compares with a 10 per cent of industrial companies excluding oil, are given in a survey prepared by a sur only 60 per cent of published profits and earnings just half of cent rise in capital employed conventional fully-taxed earn compared with published

total reduced their dividend payments last year, average terms was less than one, with

balance-sheets reveals of 30 per

crease in asset values. On this basis, the real return on capital earned by industrial companies last year was about 64 per cent compared with Phillips and Drew's estimate of 8 per cent in 1979. For individual shares the sur-

vey shows that manufacturers were again the worst affected. with their current cost performance worsened by their poor historical cost profits in 1980.

figures and a 40 per cent in- Of the 18 industrial compan which made current cost loss before tax in 1980, 17 were i manufacturing. Elsewhere th food retailing and leisure set tors had higher current co than historical cost fully tere earnings in 1980.

The survey shows that as i previous years the companies least affected by current cos accounting are mainly in retain ing and other non-manufacturit

European **Ferries** 

# Interim Report for the 6 months ended 30th June 1981

erries :		19	81	19	
mited	Shipping Division Harbour Operations	Turnover £'000 63,273	Operating Profit \$000 (9,322)	Turnover \$000 66,378	Operating Profit £'000 1,386
•	Division Banking and	12,739	1,273	10,435	865
	Property Division	35,552 111,564	5,907 (2,142)	2,294 79,107	1,494 3,745
	Minority Interests		( 200)		
Attributable Operating (Lo	es)/Profit (Unaudited	) .	(2,342)		3,745

Turnover excludes blanking turnover but includes the sale proceeds of the development at High Holborn, the profit on which was earned in

Apart from advance corporation tax on dividends and a small amount of foreign taxation there will be no charge to taxation on these results. In respect of the year ending 31st December 1981, an interim dividend of 1.0p net per ordinary share will be paid on 4th January 1982 to ordinary

The state of the s

shareholders on the register on 26th November 1981. As indicated in the Rights Issue document of 22nd May, subject to unforeseen circumstances the Directors intend to recommend that a final dividend of 2.1p net per ordinary share is paid during July 1982. The total of 3.1p net per ordinary share on the increased capital, together with the associated tax credit, will absorb £10.7 million as compared to the £8.6 million absorbed by dividends totalling 5.175p net in respect of 1980.

# **WEEK'S FINANCIAL DIARY**

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The subdivisions shown below are based mainly on last year's timetable.

h (Semuel)	TRW Inc. Boots
on Merchant Securities.	Time Inc. Spets
do Consulting Engineers	Toronto Dominion Bank 154nc Dec. Notes
fmu	_15/9/83 S381.25
H Hepburn	Treasry Ln. Spc 1992-96 4 zpc
AT L	WEDNESDAY, SEPTEMBER 16
h Aerospica	COMPANY MEETINGS-
(Hotace)	Hampton Gold Mining Areas, Management
i latal.	House, Parker Street WC, 12.00 Howard Tenens Services, Goddard Arms
nded Metal	Howard Tenens Services, Goddard Arms
Origing	TOTAL PUBLIC STREET, SWIMOOR, 11,30
news (Sernard)	LRC (121) Howard Hotel Tampia Disca
er (George)	yrC, 12.00
s and Arnold	Moorgale inv. 1, Brewer's Green, Bucking-
Raber	ham Gate, SW. 3,45.
VIDEND & INTEREST PAYMENTS	
e inc. 36cts	House Henley-on-Thames, 12.45
ian 6 apt Eds. 1982 Stept Dos. 34 Stept	Seescope. Trinity House, Trinity Square.
r_and Southern Stockholders Tst.	EC. 12.45
Zipc	Wood (5.W.), Winchester House, 100, Old
Guiana Sec 1980-85 24ec	Broad Street, EC, 72.00
Rental Grp. Inc. 65cts.	BOARD MESTINGS
nins Engine 45cts	Banks (Sidney C.)
	Epicure
Corp. 40cts	Hewitt (J.) (Fenton)
Corp. 3/3cts.	SCHOOL (Coores U.Y.
Corp. 33cts urgh inv. Txt. 3.15pcPtg. 1.375pc (Theodore) 1.95p	
(Theodore) 1.95p	TraBord Park Estates United Real Property Tat. Walker (James) Goldsmith and Silversmith Informati
ng Spcin. 1993-3pt	United Real Property Tet.
al Funds Inv. Tst. 2-58	Walker (James) Goldsmith and Sibrersmith
er London 74pc 1981 34pc	Interime
n (E.F.) inc20cts h (Leopoid) Hidgs. 8.577p	Amalgamitted Metal
n (Leopold) Micos. 8.577p	Demrose .
n County 5 pt 1977-81 2 4pt	Berwick Timpe
ing Land and Exploration Cop. 45cts	Sifurcated Engineering
inds. un. 37apc	
Inv. Tat. Ob. 17aps	Surel Pulp and Paper
has 30cts	Ontill Mohair Spinners
Zealand 64oc Stik 4DB Eds 1982	
	Danish Bacon -

inc. 75615 \$1.4625 Pfd. 36.5625cts

1986 4-apc
Antologasta (Chill) and Bollviz Rallway
SpcP. 1.7-spc
Assoc. Tooling Inds. 2.25p
Mirray Northern Inv. Tr. 1.25p
Mirray Northern Inv. Tr. 1.25p
New Zesland 31-pc 1981-84 1upc
Spear (J.W.) 3p
Treasury 2pc Index-Linked 1996 £0.60.
Treasury 2pc Index-Linked 1996 £0.60. New Zealand Sinc 1981-84 1 lipe .

Sear (J.W.) 3p

Treasury Zpc index-Linked 1996 £0.86.

14pc 1982 7gc

Williams and Giye's Sank Flox. Rate Cap.
Notes 1981 US581-45

Williams and East Denbighshire Water

Williams and Feat Denbighshire Water

Williams and Feat Denbighshire Water

Williams and Feat Denbighshire Water

Water Ares, Management WC. 12.00 ns. Goddard Arms windon, 11.30 otel, Temple Place,

UICS and James (Employers)
DIVIDEND & INTEREST PAYMER
ADTICULARIA MOTIONERS CORP. Var.
11:3183 65.7938
Jourdan (Thomas) 1.75p
Leuni Intn., Invs., Gtd., Fits., Rate
1954 USSB0.82 and Cloud Hill Ling Works hartes) and Marriets (Wings) arty (Charles) and Marriott (Witner)
(Sep inv. 1988) INTEREST PAYMENTS—
BY IDEND & INTEREST PAYMENTS—
BY IDEND & INTEREST PAYMENTS—
ACT TO A STATE OF THE PAYM SUMBAY, SEPTEMBER 20
DIVIDEND & INTEREST PAYMENTS—
M and G. Commodey and General Income
Units 1.45p
M and G Magnum Fund Income Units 8.55

# SDP discussion papers show policy overlap with Liberals

Symphed its first moves towards the development of detailed policies at the weekend with the Sublication of eight discussion papers covering a wide range of national affairs.

iel link

nsidered

e zones m

institutions

The papers have no official standing within the party but will form the basis of many of the debates at the "rolling" the conference to be held next month in Perth, Bradford and

Their significance is the proad indication they give of the way the fledgling party is approaching its target of destroying the hold on power of the two major parties and transforming British politics in alliance with the Liberals. who meet at Llandudno this week. The papers have been drafted by individual members of the SDP and in general show a close similarity of outlook to stated policy positions adopted by the Liberals.

Among the main points to emerge are basic support for the mixed economy and approval for controlled economic expansion as advocated by the Confederation of British industry; a refusal to promise rapid increases in living standards; the need for suostantial devolution of power to the regions; a radical new housing policy including the phasing out of mortgage relief; and curbs on private education. document calls for "imaginative reform" of the European Community and an-

FINANCIAL TIMES REPORTER

PROPOSALS to spend £125,000

on attracting more light indus-

try to Guernsey, Channel Islands, to offset the decline in

official report published in the

and maintenance are seen as

two of the most suitable areas

for expansion. A role for the

island in servicing offshore oil

and gas installations in the

English Channel is also en-

The report concludes that

Guernsey's 20 per cent rate of income tax and "lack of bureaucratic interference" will

without offering other induce-

Electronics, and boatbuilding

island at the weekend.

cluding a voluntary incomes policy. policy, compulsory secret ballots for internal union elec-

party politics.

the papers at a London Press demand should be given first conference, was anxious to retain complete freedom of

reform industrial relations, in- agreed there were many similarities of view with the secret Liberals.

In the paper on the economy, tions, and incentives for unions Mr. John Horam, SDP MP for es on economic and inter- to distance themselves from Gateshead West, suggests that measures designed to provide a Mr Roy Jenkins, introducing modest stimulus to internal priority in tackling Britain's cur-

exchange rate and acknowledges that the introduction of a formal incomes policy may be

Mr Horam, the party's economic affairs spokesman and a junior minister in the last Labour government, attributes gives businessmen as much the severity of the economic recession in Britain to the fact can be achieved.

other key economic considera-

He calls for a balanced approach, designed to minimise sudden and sharp changes in the economic climate and which steadiness and predictability as demanded for some time) that

demand.

Mr Horam goes on to argue that the boost to domestic demand should be accompanied

we re-expand the economy. "To do this, the first imperative is to stimulate internal

Mr Horam maintained: "At by a considered attempt to tions in the standard rate of the moment such a balanced lower the exchange rate of the tax." More radical ideas conterrention to lower the sterling centrated on combating inflation to the virtual exclusion of approach demands (and has pound in order to stimulate

export markets. On taxation, the Social Democrats would give the highest priority to keeping the ing child benefits "even if it stead on making the market

be debated on Tuesday forms

But all the available evi-

dence suggests that the real

anxiety of Mr David Steel

and his senior colleagues is that if the alliance with the

SDP is not sealed with the

minimum of delay the Liberals could find them-

selves having to pay a heavier price for a link-up

They see a danger that the

contested ground which Mr-Steel has already had to

traverse in the preliminary

negotiations with the SDP

leadership could develop into

if Llanduduo does not prove

to be the place where the

Liberal Assembly chooses to

heed the advice of David

Lloyd George-never try to

take two leaps over the abyss.

It will be a major surprise

part of this process.

later on.

a chasm.

sidered worth pursuing include the redistribution of income towards the lower wage earner. The CBI approach is favoured on industrial strategy, with state intervention considered to threshold as high as circum- be of limited value. Greater stances permitted and increas-

meant foregoing further reduction better. The present state of the unions is roundly condemned, with the TUC described as "leaderless and split." A new strategy for using

North Sea oil revenues to re-build Britain's industrial and commercial base is advocated, with the setting-up of a North Sea Investment Fund to channel part of the revenue raised.

Trade union reform is regarded as a top priority, with internal elections conducted by compulsory secret ballot and a ramework introduced which would give umons statutory rights in return for defined limits on industrial action.

Legal force should also be considered for union-employer agreements and arbitration Individual redress awards. against the closed shop is supported, but not abolition of the closed shop.

Housing policy is one of the most radical, with proposals that mortgage relief for owneroccupiers should be progressively reduced, public sector housing investment increased, council house sales left to local decision and council tenants given new rights.

rent economic problems. Richard Evans and Ivor Owen look at the two prospective centre allies

# Liberal assembly set to endorse alliance but doubters remain

EVENTS impose their own logic and nothing, it seems. can prevent the Liberal Assembly, which opens in Llandudno tomorrow, endorsing the proposed electoral alliance with the Social

With those unrepentant conviction politicians of the Right and Left, Mrs Margaret Thatcher and Mr Tony Benn. apparently determined to go on acting as unpaid recruiting agents, the glittering potential of a new centrist force in British politics is an

Never before has the dream of ending the dominance enjoyed by the Conservative and Labour Parties for more than half a century seemed

Those Liberals arriving in

who have been voicing doubts about the venture have been told to study the consistently favourable evidence provided by the opinion polls since the birth of the fledgling Social Democratic Party just six Still not convinced? Well

then, the argument runs, look at the asionishing success just a step short of victoryscored by Mr Roy Jenkins in the Warrington by election. With active Liberal support, did not the unfurling of the SDP's colours for the first time in a Parliamentary contest convert a Labour strong-

inflict on the Conservative candidate the humiliation of a lost deposit? So, doubters are urged, back the alliance and enlist the help of the SDP to ensure the triumph of Bill Pitt, the doubters are urged,

bold into a marginal seat and

Liberal candidate, when the by-election in Tory-held Croydon North West takes place next month. The Liberal doubters con-

tend, however, that such is the mid-term unpopularity of Mrs Thatcher's Government that the capture of Croydon North West could be achieved without SDP support. They also claim that in

terms of success attained through the hallot hox the record of the Social Democrats, even allowing for their impact at local government level, is not particularly impressive. After all, they argue, the

Liberals achieved second place in 81 seats at the last election. general election. Accounts that the SDP would like a clear run in about half of these are another source of

The popularity of Mrs hirley Williams seems to Shirley have almost universal appeal. But other SDP leaders are being sharply criticised by the Liberal rank and file.

Who do they think they are?" is the question which marks the opening of many an unflattering assessment. A recurrent complaint from Liberal activists is that those who quit the Labour Party because they believe it is destined to come under the control of ruthless militants with no real belief in genuine democracy, have not themselves behaved as dedicated

democrats should. If one or two of the defectors had chosen to fight a hy-election under the SDP hanner so that the electors who sent them to Westminster as Labour MPs had been given the opportunity to provide 2

renewed personal vote of confidence, the proposed elec-toral alliance would surely fewer Liberal have had

As it is, some Liberals clearly view an alliance with a new party which has never won a Parliamentary election, has no clearly defined policy and has yet to reach agree-ment on choosing a leader, as the most speculative enterprise since the South Sea

So before the erucial vote on the alliance on Wednesday there will be no shortage of pledges that nothing will he allowed to prevent the Liberal Party retaining a separate identity besitting its long history and traditions.

The fantasising about a "Liberal-led Government" in the draft policy document to

An audience survey in the Isle of Man showed that 80 per

cent of the island's population

listened to Manx Radio, claimed

to be the highest percentage

audience figure for any com-

Outside the island the survey

was not so intensive, but Gallup

mercial radio station.

# General Accident cuts motor insurance rates

BY ERIC SHORT .

MANY OF THE 1m motorists The group had an underwriting insured with the General Accident Group. Britain's largest motor insurer, will pay less for their motor insurance when they renew their policies. Savings could be more than a

General Accident, in common with many other motor insurers. has already said it would not raise its motor rates this time. They were last put up on August 1, last year.

This year GA said that, with fewer claims and a slower rate of increase in claim costs, it would hold its motor rates steady for as long as possible.

profit of £2.9m in the first half of this year, after recent heavy losses.

Now GA has revised the rating for 40 car models and for certain areas of the UK to take effect from October 1, so that lower premiums apply in each

A mature driver, for example, of a Mini Metro 1.3S living in Oxford, eligible for a full noclaims discount, will pay a premium of £86 for comprehensive cover from October 1, compared with £112 last year-

a reduction of 23 per cent. Insurance column, Page 17

Democrats.

irresistible attraction.

so close to reality.

Llandudno over the weekend

British Overseas Trade Board

stamps if a proposal put for

issues, as Guernsey Bailiwick

# Campaign urged to attract | Radio advertisers can beat IBA ban

BY OUR ISLE OF MAN CORRESPONDENT

light industry to Guernsey But it is recommended that now able to receive sponsored the island's Government should radio broadcasts. But the potenhelp local companies to meet tial this offers to advertisers is Islands, to offset the decline in the cost of promoting their bornculture are outlined in an products abroad since they do being overlooked on mainland Britain. not get financial aid from the

This situation arises because Manx Radio, an arm of the Isle Alderney will have its own of Man Government, is outside the control of the Independent. ward by Guernsey's post office Broadcasting Authority, which is approved by the Island bans this service. Consequently, the station can

Originally, the smaller island offer sponsored programmes, a service which Mr Ian Cannell. wanted to run its own post station manager, believes offers office, independently of Guernsey, but finally agreed that this would be impractibale. great opportunities for expan-Surveys have shown that the The plan now is to produce station can be heard clearly in North Wales, North Lancashire, be sufficient incentive to out. Alderney stamps, including side companies to set up locally both a definitives and special

in southern Scotland. There

LARGE AREAS of the North-West of England, Northern Ireland, and North Wales are also reports of good recep-tion on the east coast of Ireland, north and south of the border. "With the station's location

in the geographical centre of a large area of the British Isles it is reasonable to assume from the figures which are available that it could be a good radio station to use for launching campaign advertising," said Mr Cannell. Mr Cannell said he was sure

many people who would be delighted to have a sponsored programme working for them were unaware Manx Radio could give them the opportunity.
"Manx Radio is controlled by

the island's own Broadcasting Commission, and IBA has no say in the type of programme we transmit," he added. along the Cumbrian coast and The station recently extended

its programme closedown to 1 am. The number of phone calls received during this late night broadcasting session included as many from outside the island as from island resi-

The pattern showed the reception in North Wales was best west of Conway on the mainland and in Anglesey, an area which would not be well covered by the planned North Wales commercial radio station to be based at Wrexham.

In Cumbria a BBC station at Barrow was planned, and a commercial station could be set up at Whitehaven. Scotland was to have a station at Dumfries. "As far as commercial radio stations are concerned, the planners are running out of areas where they could be commercially viable." said Mr Cannell.

Poll covered four areas, from Strangaer to Annan, from Silloth Barrow, from Carnforth to Blackpool, and from Rhyl to Anglesey. Although there were fewer

listeners, the figures showed quite a number of the potential audience preferred Manx Radio. So far outside sponsors had come in for events like the TT

races, said Mr Cannell. In spite of recession their advertisers had remained loyal and advertising revenue had kept up.

# finance to get the Transporter off the ground. De Havilland of Canada manufacture the Barclays give de Havilland a continuous line 'Transporter,' an aircraft that's at home in places

where conventional ones aren't. On incredibly short runways, in punishingly high temperatures, at energy sapping altitudes.

Even in deserts.

of credit to buy engines for the aircraft. Engines capable of airlifting a one-ton truck 1200 miles

and delivering it to a tiny sandstrip.

Small wonder de Havilland have an important and growing market in the Middle East. Small wonder, too, that they chose Barclays. We have our own branches in the Middle

East so we can provide up-to-the-minute information on local markets. We transmit earnings back fast through our network so we can improve the exporter's cash flow.

De Havilland and their Transporter are just

one of an impressive list of customers and projects that we help through our branches in more than 75 countries spanning six continents.

We help most of the world's successful international companies. Somewhere there is a market where we can help you.



# REPUBLIC OF ARGENTINA

# **HIDRONOR**

Hidroelectrica Norpatagonica Sociedad Anonima ALICURA - ABASTO TRANSMISSION SYSTEM

> Work: Telecommunications System Call for prequalification of firms

CONTRACT No. 1020/1 Main link radio equipment CONTRACT No. 1025

Telephone and telegraph equipment

Hidronor S.A. invites firms, both national and international who possess the capacity and experience and are interested in submitting for these contracts, to present evidence proving their technical and economic capacity to provide, install and commissioning:

Contract 1020/1: Main link radio equipment, including microwave and UHF equipment, frequency division multiplex equipment, DC power supply equipment and telecommunications supervisory systems;

Contract 1025: Telephone and telegraph equipment, including PABX exchanges, PAX exchanges, teleprinters, photofacsimile equipment and telephone apparatus.

The preselection documents may be acquired at the price of 400,000 Argentine Pesos, each one from 10 a.m. to 3 p.m. at:

Hidronor S.A.—Dpto. Contratos, Pte. Yrigoyen 379, 7° Piso, 8324 Cipolletti, Rio Negro, telex no. 84116 hinor ar or at:

Hidronor S.A.—Avda. alem 1074, 4to Piso, 1001 Buenos Aires, telex no. 22240 hinor ar-argentina, from:

14th September, 1981: Contract 1020/1 5th October, 1981: Contract 1025

The requested preselection documentation must be presented at:

Hidronor S.A.-Pte. Yrigoyen 379, 7° Piso (8324) Cipolletti, . Rio Negro, Argentina, until 3 p.m. of:

> Contract 1020/1: November 10th, 1981 Contract 1025: December 1st, 1981

### INVITATION FOR PREQUALIFICATION FOR INTERNATIONAL COMPETITIVE BIDDING

SOCIALIST FEDERAL REPUBLIC OF YUGOSLAWA (SFRY)
SOCIALIST REPUBLIC OF MACEDONIA
LAKE OHRID SEWERAGE PROJECT

Notice is hereby given that the Institute for Spatial Planning, Ohrid, SFRY on behalf of the Socialist Republic of Macedonia and the Communes of Ohrid and Struga, will receive applications for prequalification and purchase of tender from interested contractors from countries who are members of the International Bank for Reconstruction and Development (World Bank), Switzerland and Taiwan for construction of a sewage treatment plant at Lake Ohrid. The Project consists of:

(a) about 45 km of main collector (500 mm to 1,100 mm dia.); (b) 16 pumping stations:

(c) an activated sludge sewage treatment plant, and

(d) construction of primary and secondary network. Prequalification is required for the supply of equipment and construction of the sewage treatment plant. Tender documents for the above are expected to be available in early 1982.

The Socialist Republic of Macedonia has requested a loan from the World Bank to meet the cost of the Project and intends to apply the proceeds of this to eligible payment under the contract for which this invitation to prequalify is issued.

The prequalification questionnaire may be obtained from:
Institut za prostorno planiranje—Ohrid
Boris Kidric 10
97300 OHRID. Yugoslavia

Telex No. 53875 Completed prequalification questionnaire should be returned to the above address not later than December 15, 1981.

### International

### **Tenders and Contracts Bulletin**

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Published every week and averaging 300 tender notices from 26 countries Essential data for home and export business

For further information contact:

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### PLANT AND MACHINERY

# NEW HITACHI - GE PG 5301 GAS TURBINE GENERATORS

FOR SALE

Three packaged gas turbine generators for export, G.E. Model PG 5301, manufactured by Hitachi. Never installed or used. Available

for immediate delivery. Main Characteristics:

-- Dual Fuel, diesel/residual oil ISO rated ourput:

Generator:

21,500 kW (residual oil) 28 MVA, 50 Hz, 11.5 kV 28 MVA, 11.5/1.10 kV

23.400 kW (diesel oil)

- Transformer: Units are complete, with all its auxiliary and starting equipment, including spare parts. Designed for outdoor all-weather installation. Available for inspection at Valparaiso, Chile (Main parts) and Santiago (Minor parts and spares). Delivered FAS Valparaiso (Chile). To be sold by sealed bids for either one complete unit or more. Bids to be presented to:

Gerente de Finanzas Santa Rosa 76 Sanciago, Chile

Envelope to read: "Licitacion Turbinas Hitachi-G.E." Deadline: November 5, 1981.

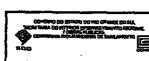
Additional information available by contacting: Oscar Urzua, Jefe Depto. Administración de Materiales, Santa Rose 76. Telephone: 2226070, extension 2222. Telex: 40491 NDESA CH,

julio Doggenweiler, Representative, N.Y. Offica, One World Trade Center, Suite 5151, New York, NY 10048, Telephone: (212) 558-4153. Telex: USA: 128203 FOMENTO NYK, Int'l: 420722 FOM.UE.

# TRAVEL

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broal destined to the coverage system for the city of Cachesra bit Sui - RS - Brazil. The enterpose RY of - Containing Occomentation, and N - Ca. Containing Proposals will be received in the bedong room. A Rua Caldas Juston, N - 120-181. And. - At 10.00 of clotck of next October 1 st. Better information, especification and notwis of this bodding. - will be provided to interested parties, though the solution of windown received from the trea-sony in the Divisio die Compras of CORSAN, all Rua Wastangfort Liste. 275 - POTO Alegne - RS, by this amount of C-S 5 000,00 (five thousand cruizmos). Bet. Valutemon Jess B - and by Durlan Advanstrativo



CEVAL EXPORT S.A. --INDUSTRIA E COMERCIO

Foreassing the implantation of an industrial facility located in São Francisco do Sul — SC, is interested in acquiring machinery and equipment for the industrialisation of unrefined supabean oil.

This communication is to invite interested parties to present their proposals in writing to the following address:

Canca Postal No. 45, CEP 88.110 Gaspar, SC, Brazil

### COMPANY **NOTICES**

L'AIR LIQUIDE
Public Limited Company for the Study
and Exploitation of the Georges Claude
Processes
Capital: Frs. 1.203,721,330
Registeral Office: 75 Qual d'Orsay, Paris 75007 R.C. PARIS B 552 096 281 FINAL REDEMPTION OF THE FF. 60.000,000 81% 1971-1981 INTERNATIONAL BOND ISSUE

INTERNATIONAL BOND ISSUE

In accordance with the terms of the
Issue, the company has purchased on the
marker 100 bonds of FF. 5,000 each in
respect of the amortisation due on the 15th
October 1981.

Sounds remaining in circulation
tollosings this purchase. Le. a nominal
value of FF. 19,250,000, will be redeemed
at par from the 15th October 1981 onwards—cx. couppe No. 10 due on 15th
October 1981.

The bonds should be presented to any
of the undermentioned Paying Adens,
who will effect payment free of charge.
Credit Commercial do France, Paris
Banque Go l'indochine et de Sage, Paris
Banque Vernes et Commerciale de Preis,
Faris
Banque Vernes et Commerciale de Preis,
Faris
Engles expelles Lambert S.A., Brussals
Engles et och Presented to the Company
of Respective to the Respect

Durenidori
Societe de Banene Suisse, Basin
The following bonds, drawn for repayent on the 11th August 1980, have not
been presented for reimbursement
5.617 to 9.519 9.749 0 9.750
9.880 to 9.884 9.749 to 9.857
9.881 to 9.881
9.781 to 9.882
CREDIT COMMERCIAL DE FRANCE,
Paris

Financial Agent to the Com

### **PUBLIC NOTICES**

SCOTTISH AGRICULTURAL SECURITIES CORPORATION

7% Debenture Stock, 1980NOTICE IS HEREBY GIVEN that
the Registers of the Corporation's
above-mentioned Debenture Stock
will be Clased for Transfer and
Registerstion from 1st to 14th
October, 1981, both days inclusive.
By Order of The Board,
H. J. McTurk,
Secretary. 7% Debenture Stock, 1980-83

48 Pelmerston Place. Edinburgh EH12 SBR. 14th September 1981

INTERNATIONAL BIDDING Nº 081/81

INTERNATIONAL BIDDING

# A.I.B.D.

# **EUROBONDS QUOTATIONS** AND YIELDS

Owing to circumstances beyond our control we regret that we have had to postpone the montly AIBD feature from today, Monday, September 14, to Thursday 17 September.

We apologise for any inconvenience this may cause to our readers.

### NOTICE TO HOLDERS OF MITSUBISHI

CORPORATION (MITSUBISHI SHOJI KABUSHIKI KAISHA)

74% CONVERTIBLE BONDS DUE 1990 6% CONVERTIBLE BONDS DUE 1992

Pursuant to the Trust Deeds dated as of May 12, 1975 and July 15, 1977, respectively, under which the above mentioned Bonds were issned. notice is hereby given as follows:

1. On July 22, 1981 the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders

of its Common Stock to shareholders of records as of September 20, 1981 in Japan (September 29 in Kuwait and Luxembourg), at the rate of 1 new share for each 10 shares held.

2. Accordingly, the conversion prices of the above-mentioned Bonds will be adjusted effective immediately after such record date. The conversion prices in effect before such adjustmentare Yen 352.40 for the 7:35 Convertible Bonds Due 1990 and Yen 471.80 for the 6% Convertible Bonds Due 1992, and Convertible Bonds Due 1992, and the adjusted conversion prices will be Yen 319.90 for the 71% Converti-ble Bonds Due 1990 and Yen 428.30 for the 6% Convertible Bonds Due 1992.

MITSUBISHI CORPORATION Dated: September 14, 1981

# NOTICE TO HOLDERS OF

MITSUBISHI CORPORATION (MITSUBISHI SHOJI KABUSHIKI KAISHA)

6% CONVERTIBLE DEBENTURES DUE 1991 65% CONVERTIBLE DEBENTURES DUE 1984

Pursuant to the Indentures dated as of March 31, 1976 and October 1; 1979, respectively, under which the abovementioned Debentures were issued, notice is hereby given as follows:

1. On July 22, 1981 the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of September 30, 1981 in Japan (September 29 in New York City, London and Laxembourg), at the rate of I new share for each 10 shares held.

neld.

2. Accordingly, the conversion prices of the above-mentioned Debentures will be adjusted effective immediately after such record data. The conversion prices in effective before such adjustmentare Yen 425.10 for the 67,% Convertible Debentures Due 1991, and Yen 549.10 for the 65% Convertible Debentures Due 2994, and the adjusted conversion prices will be Yen 385.30 for the 67,% Convertible Debentures Due 1994 and Yen 498.50 for the 65% Convertible Debentures Due 1994 and Yen 498.50 for the 65% Convertible Debentures Due 1994.

MITSURISHI CORPORATION Dated: September 14, 1981

# UK NEWS-LABOUR

Plessey plans £2.5m

PLESSEY Telecommunications pany to help it move into the

plant on troubled

Liverpool site

# GEC- Schreiber strikers warned

BY RHYS DAVID, NORTHERN CORRESPONDENT

A TOTAL of 420 striking furni-ture workers at the GEC-stock levels are now running at for the foreseeable future. ture workers at the GEC-Schreiber factory in Runcorn, Cheshire, have been told they face dismissal if they fail to report to work tomorrow.

The workers, members of the Furniture Timber and Allied Trades Union, have been on strike for two weeks over plans by the company to cut 88 jobs at the factory, a purpose-built unit opened two years ago with generous government assistance at a cost of £18m.

The factory, which covers 400,000 sq ft, makes kitchen and bedroom furniture and has been making losses as a result of the recession, Mr Chaim Schreiber, GEC-Schreiber's.

is to build a £2.5m engineering

centre at its Edge Lane factory, Liverpool, partly to indicate its

continuing commitment to the

The factory's labour force has

been reduced from 12,000 to

4.000 since 1970 in a series of

cuts, and there has been a history of poor industrial

The company says this prob-

lem has largely been caused by

a lack of confidence on the part

of the workers, who have seen the continuing cuts as a pre-

The company's investment in the centre, which will develop

the new generation of micro-

systems and attachments, is meant to show its commitment to the wast Liverpool site, its

main plant for the manufacture of the older electro-mechanical

telephone systems now being

phased out by new technology. Plessey warns, however, that

this and other investment planned for the site will have

to be accompanied by big

changes in working practices

and productivity. A series of

discussions with the unions almed at achieving these

changes has now begun.

Mr Ken Lilley. Plessey regional director responsible

for Edge Lane, said vesterday

there was a secure future for

the remaining employees, if the

plant could make the new range

iobs might be lost, but it was

The centre will house 700

through natural wastage.

telephone

lude to total closure.

processor - based

relations.

around 30 weeks, the company claims. Demand for the type of futrniture made at the factory. according to Mr Schreiber, was down 30 per cent in the three

months to the end of July. The union, which is picketing the factory, says dismissal notices were issued before consultation had been exhausted, and it is pressing for a work-sharing scheme to be intro-duced. It has offered to work two-weeks-on, two-weeks-off system.

The company claims, how-ever, that this will not solve the present problems, and has Schreiber, GEC-Schreiber's warned that even after the re-managing director, said. dundancies it seeks, the remain-Short-time working has been ing employees will still have.

new microprocessor-based range

of products. Most employees

have previously worked on the

include developments of System X, the new exchanges the Post Office is introducing in the UK,

and the design of new bolt-on attachments for use with domestic and business phones.

The centre will use computeraided design facilities and according to Plessey will be among the most modern of its kind in the UR.

Work is due to start on the building today and it should be completed in a year.

• The sit in by white-collar workers at the Plessey radar

defence equipment plant in Liverpool City centre goes into its second week today, but only

about 20 of the original 50 pro-

testors remain in the building.
They are demonstrating
against the issuing of redundancy notices to 16 staff in the

drawing department, which has

affected production by the 550

Plessey has now served a writ on the protestors, members

of TASS, the white-collar sec-

tion of the engineering workers' union, and a court hearing is scheduled in London on

Meanwhile, the union has

sought an assurance that no

violence will be used if bailiffs

Plessey says the redundancies

orders due to the cutback in

government defence spending.

hourly-paid workers.

September 21.

are called in.

hoped to achieve this largely have been caused by a fall in

engineering workers, including but the employees claim it several top electronic experts could be "the thin end of the recently recruited by the com- wedge."

The work of the centre will

older telephone systems.

for the foreseeable future.
"It is the market as a whole which is weak at the moment. The company's products remain competitive and attractive," Mr Schreiber said.

The dispute is the first to hit the factory, and pickets say there has been full co-operation with management, including elimination of traditional demarcation areas and acceptance of low wage settlements.

company, however, The claims that the Runcorn unit has, until now, been protected from the redundancies that have taken place elsewhere in the group. These have reduced the total Schreiber labour force from 3,500 to 1,800 in the past

Meanwhile, in a separate move designed to strengthen Schreiber's competitive position at the top of the market, the company is to launch its first range of integrated hitchens incorporating fitted electrical equipment, next April.

The move, which has not yet been announced, will enable the group to compete in a fast-growing market identified by continental importers. Schreiber will offer kitchens using refrigerators, washing-machines, dish-washers, and other appli-ances made by Hotpoint, which also comes under GEC-Schreiber

management. Gaps in the range will be filled mainly by imports, but other UK manufacturers are also being asked for quotes.

# Italian tax stand praised

size of Britain's "black eco-nomy" is to start collecting the unpsid tax, according to the journal of the Inland Revenue Staff Federation.

It says that in the last two years the "black economy" had been estimated at anything between 21 and 15 per cent of GDP, with the favourite esti-mate being that of Sir William Pile, former chairman of the Inland Revenue, who assessed it at 71 per cent in March, 1979. The author of the article in the IRSF journal, Mr Jason Ditton of Glasgow University,

suggests that the Italian tax

THE BEST way to calculate the method of dealing with un-

declared tax.
In 1980 their total tax yield jumped about 35 per cent.
The Italian authorities concentrated on Schedule D tax-payers, each month selecting by computer a random list from different professions or cate-gories. A publicity campaign warned that spot checks were

to be conducted Mr Dittou says that in Britain four out of five companies understate their profits, £10n is outstanding on Schedule D and over £120m of PAYE deducted from employees' wage packets is not handed authorities discovered the best over to the Revenue.

# Mass dock meeting expected

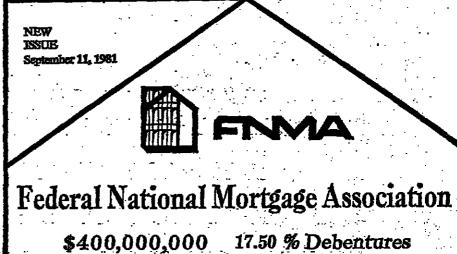
MERSEY DOCKERS' shen stewards meet in Liverpool today to decide their next moves in the five-month-long negotiations over the annual pay claim for the 3,500 dockers on the Mersey.

They will hear a report from their executive committee on the resumed talks last week between the transport workers' union and the port employers at which the employers closed the door on further negotiations. K is expected the stewards will then call a mass meeting of the dockers this week to ask for a fresh mandate. A fortnight ago the dockers rejected by two one one, on

the recommendation of the stewards, the employers'
"final" offer.
They also rejected "while the talks continue" a call for immediate strike action.

Mr Denis Kelly, the chairman of the dock shop stewards, said yesterday: "It is obvious we must have a speedy mass meeting to end the uncertainty one way or the other. I cannot say at this stage what we will recommend. We certainly seem in a cleft stick."

The pay and productivity package, which the employers say is as far as they can go, is based on an £11 increase on the basic rate, proportionate rises on the twilight and nights shifts, improved bonusand piecework rates, and a £200 lump-sum back payment from the beginning of May.



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John J. Meehan Vice President for Finance and Treasurer

Allen C. Sell Director of the Fiscal Office

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Entries must be in by October 31st, so find out more about The Queen's Awards by posting the coupon today.

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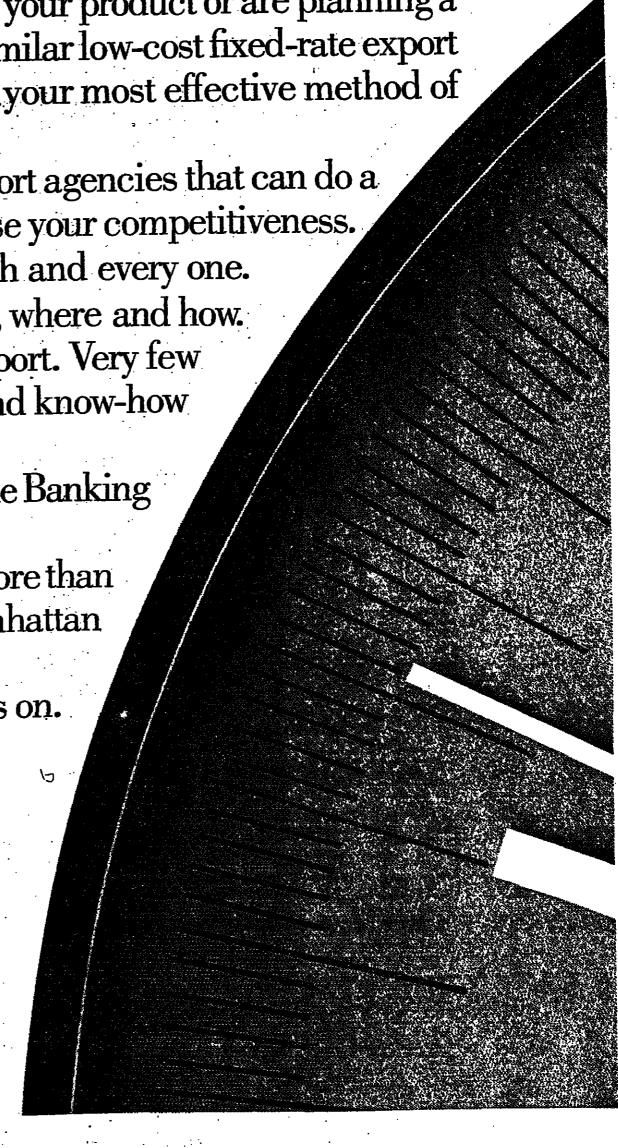
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Hans Rausing: With only one product "we have to be the best in the

# The risks and rewards

version plants producing packaging material for dairies and customers selling liquids. The material is delivered in rolls for use in filling machines, which are also supplied by Teira Pak. The system is supported by a network of service stations. Three factories make the filling machines.

At the end of last year 3.785 Tetra Pak filling machines were operating in the world. The smallest modern unit is capable of producing over 1bn packs a year.

The profit lies in sales of the packaging materials, not of the filling machines. About three-quarters of the machines are leased because leasing cuts down the initial cost of the investment for dairies and other customers. The apital cost of a plant of the m-nimum economic size today is SKr 120m to SKr 150m (£12.5m-15.5m, \$23m-28m).

Tetra Pak has been referred to as a glorified sales organisation but this underestimates the effort which goes into researching and developing new packaging and the filling machines to produce them. More than a quarter of the revenue from the machine manufacturing is invested in improving existing machines and developing new ones.

It takes 10 years to develop a new type of package and

years are spent building a prototype filling machine. The total investment before Tetra Pak sees any return on its money is £10m to £15m.

The risk element in being so heavily concentrated is evident. Tetra Pak has to decide on an investment of this size in the belief that in 10 years' time it will have a package which will be superior to anything com-

lished, of which at least two

petitors may produce for a pay-off period of perhaps another 10 years. "No sensible company would make such decisions. We have the choice of making them or of gradually disap-pearing from the market," Rausing comments.

Tetra Pak has at least five net- packages in the pipeline. These are additional to Tetra King, a larger container in which plastic foam replaces paper and which it is hoped will open up new liquid packaging markets, including

illustrates the risk involved in launching a new package. Aimed at the carbonated soft Anned at the carnonated soft drinks market, Rigello is a sophisticated design in-volving a plastic container inside a cardboard sleeve. Like all Tetra Pak designs it can be made from rolls of material passing through fillWhy a Swedish packer is so single minded

BY WILLIAM DULLFORCE

YOU ARE running a concern mark per annum for several which the annual international demand can be counted in billions. The market is expanding fast but the competition is tough. This is your recipe for financial success: keep away from the Stock prices.

do not integrate backwards: on the contrary increase your dependence on suppliers and sub-contractors do not diversify the product

Not entirely conventional, perhaps, but the only course if ily concern which produces most of the plastic coated paper packages in which milk and fruit juices are sold in Western

Rausing accepts the risks of concentration, in that a wrong decision can cause more prob-lems than in a diversified organisation. This challenge is made all the more tough for Tetra Pak by the fact that its business rests on equipment for which development decisions have to be taken a decade

But Rausing also regards concentration on one product as a big advantage. "We have only one leg to stand on. If that fails, the company disappears. Sluce everyone in the company knows we must be the best in the world, we are," he says.

An enthusiastic elk hunter, Rausing likes to explain that if you laid last year's production of 30.2bn packages end to end and fired a bullet through them. it would take the bullet 2,500 hours to reach the end of the

The financial results of the company's policy of tightly-managed specialisation are certainly impressive: last year's group pre-tax earnings were over SKr 600m (\$137m at the dollar rate prevailing on December 31) generated from worldwide sales of just under SKr 5bn (\$1.14bn). Expressed in dollars, turnover climbed by 23 per cent for the second year

answer. If cash is all that is

required, the transaction is

handled by the ATM alone

which writes on the card data

The software teams at

netically to a new inter-

When complete, cards and ATMs will be theoretically interchangeable. But the

politicals of interbank nego-

tiation suggest that ideal is a good while off.

meanwhile.

national standard.

The French,

manufacturing products for years with sales rising somewhat faster by value than volume than the number of packages produced, as customers turn to more expensive containers and inflation pushes up

Tetra Pak supplies customers in over 80 countries, with Europe and Asia providing the strongest concentration. operates 21 factories, of which three turn out the filling machines and the rest convert paper and plastics into the packaging material. Only three you are Hans Rausing and your of the plants are in Sweden, company is Tetra Pak, the fam-which absorbs less than 8 per cent of packaging output

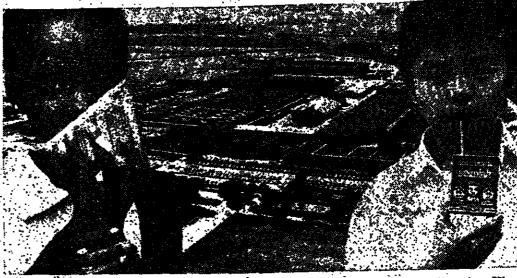
Italy is the biggest national market, followed by Japan, where Tetra Pak is one of very few foreign concerns allowed to operate a wholly owned subsidiary. The African market remains small but most of the milk produced on that continent goes into Tetra Pak containers.

In liquid packing Tetra Pak still trails its one main competitor, Ex-Cell-O Corp. of Michigan, U.S. But the Swedish company has been catching up fast, has a much bigger share of the European market and is about to challenge the American on its home ground.

### Milk

The Swedes have built up this strong market position over just 15 years. As well as being a marketing breakthrough, it has also been a technical triumph, as the company has proved the advantages of its continuous tube method of producing packages and has developed sterile packaging, which obviates the need to pasteurise milk. The milk market accounts for by far the largest part of its packaging (85 per cent by volume).

In 1965 Tetra Pak had a share capital of SKr lm, an invest-ment reserve containing SKr 1.35m and assets totalling SKr 98m. At the end of 1980 Tetra Pak International (the operation run by Hans Rausing, Expansion has been fairly which employs 3,256 people, machines which are central to estimates it will be packing 25 more easily take the right constant around the 15 per cent provides about three-quarters of its, success, are designed and per cent of Scottish milk and 30 decisions.



Based in Lund, Sweden (above), Tetra Pak has factories around the world producing ns a year for milk, fruit juices and other products

group sales and excludes the company based in West Germany) had a share capital of SKr 75m, reserves of SKr 831m and total assets of SKr 2.9bn. Profits after tax amounted to

Rausing is adamant that the group's expansion and financial solidity could not have been achieved by going public. Dividends paid after tax to shareholders of a histed company are not small, he argues, while the Rausing family has limited its own dividend receipts to the amounts needed to cover wealth taxes.

In estimating the group's financial capacity for growth, a 40 per cent ratio of equity to total assets is used as a key measure. Tetra Pak assess equity as share capital plus all untaxed reserves while most Swedish companies take share capital plus half the untaxed reserves as the measure.

Two further principles comlement this financial target, in Rausing's view. They are avoidance of the temptation to intecrate backwards and a refusal to diversify into new product markets in favour of concentrating reserves on the basic busi-

Tetra Pak is the biggest buyer of kraft paper in the world. Its purchasing operation is based at its planning centre in Lausanne, Switzerland.

Some managements would consider it logical either to invest in or to buy a paper mill, but. Rausing explains: "We would not have had the financial resources to do that on our own; we would have had to turn to the stock exchange." And that is not part of the family's philosophy.

developed by a staff of some per cent of Irish by the end of 400 engineers but the com-ponents are entirely manuface nearly half the British retail market for fruit juices.

tured by sub-contractors.

Recently Tetra Pak has also started to encourage them to produce sub-assemblies. This system is now being practised the door opened when the Food which, instead of importing parts from Sweden is signing approved the Tetra Brik contracts with local manufactures approved the Tetra Brik approved the Brik appro turers accustomed to supplying the Italian car industry.

### Investment

Tetra Pak's internal management is based on what Rausing unabashedis calls "the feudal principle." It involves devoluion, in that each managing director is responsible for his company and each manager for his department, but a very small central management group in Lunds sets the goals and con-trols their realisation.

"If goals are not achieved because of faults in local management, we back it up from the centre only to a limited extent. If that does not help, we change," Rausing explains succinctly. Though Europe continues to

absorb three quarters of Tetra Pak's output of packaging material Britain was for many years a peripheral market for the company mainly because of its special milk distribution system of home delivery. Last year, however, Tetra Pak's turnover in Britain and Ireland jumped by 43 per cent to £23m and a similar advance to £33m is projected for this year.

The U.S. has also been a relatively small market, taking less than 6 per cent of the comperoxide) for retail delivery.

The initial target will be the fruit juice market, where economics favour the Tetra Brik pack. Two earlier attempts to break into the U.S. with local partners failed but the management at international headquarters in Lund is now more confident that it has found the right approach.

Elsewhere the principle of 100 per cent family ownership is having to give way to political realities. In Kenya and Pakistan factories are being started as Currently, Tetra Pak faces

a huge development programme, providing both for market expansion and for moves into the packaging of other liquid foods. Wine, sake, water, cooking oil and protein-rich drinks for developing countries are all seen as offening opportunities. The programme must place

considerable pressure on the company's financial resources and test the Rausing family's confidence in its self-sufficiency and in its ability to retain the group's economic independence.

Hans Rausing, however, expresses no doubts. He acknowledges that Tetra Pak is playing poker in a high risk on the stock exchange." And hat is not part of the family's at Wrexham, North Wales, is its competitors about the market expected to give an output of for liquid packaging. And he Similarly, Tetra Pak's filling actimates it will be necking 25 more activated that are control to extinct the market which are central to extinct the market will be necking 25 more activated the actimates it will be necking 25 more activated the activates the activate the activat

# **Business** courses

How to Start Your Own Business. London. October 10 Fee: £15. Details from The Secretary, School of Business Administration. Thames Polytochnic, Riverside Rouse Annexe, Beresford Street, Wool-wich, London SE18 5BU.

The KEC and the Multi-nationals, Brussels. October 21-23. Details from Management Centre Europe, avenue des Arts 4. B-1040 Brussels, Belgium Using Modern Computers in Business, Cranfield. October 18-23. Fee: £655. Details from Course Tutor, Using Modern Computers in Business, Cran-field School of Management, Cranfield, Bedford MK48 OAL

Currencies - Forecasts - for 1982 and how to use them, London. October 15-18. Fee: 395 (plus VAT). Details from AMR International, 8-10 Frederick Close, Stanhope Place, London W2 2HD.

Negotiating Skills, St. Relens, Merseyside. October 27-29. Fee: £105. Details from The Administrative Officer, School of Management Studies, The St Helens College of Technology, St Helens, Merseyside, WA10 1PZ

Improving the Trainer-Learner Relationship, Uxbridge, October 29-30. Fee: £190, Details from The Secretary, Management Programme, Brunel University, Uxbridge, Middlesex UBS 3PH

Working and Living Abroad, London. November 4. Fee: £42 per person, £67 per couple. Details from The Short Course Unit, Polytechnic of Central London, 35 Marylebone Road, London NW1 5LS.

International Finance Confer ence - Adjusting Corporate Financial Strategies to a volatile environment, Vienna. November 46. Details from Management Centre Europe avenue des Arts 4, B-1040 Brussels, Belgium.

Getting Results, Slough. Octo-ber 26-Nevember 13. Fee: £950 (plus VAT). Details from Urwick: Management. Centre, ج Baylis House, Stoke Poges Lane, Slough, Berkshire SL1 3PF.

Quality Circle Workshop Tackling the Human Aspects of Advanced Technology, London. November 9-10. Fee: £160 (plus VAT) members, £170 (plus VAT) non-members of the British Institute of Management. Details from British Institute of Management Foundation, Management House, Parker Street, London WC2B 5PT.

# **TECHNOLOGY**

**EDITED BY ALAN CANE** 

# Banks gearing up for an automated future BY ALAN CANE

have moved abead with

attempts to develop a credit

and a memory embedded in it

rather than a mere magnetic

The result, developed by Philips, can function as an

electronic cheque book.
Money is credited elec-

tronically to the card and stored in the memory. When

used for purchases, the pur-

chase price is deducted from

the credit by a special ter-minal; another terminal stores

the information the shop

requires for collecting the

The device works in laboratory trials. Test market-

money through its bank.

ing is yet to come.

card with a microprocessor

PRESSED FOR space and threatened by mounting staff costs, the major retail banks committed to major expansion in their programme of mechanised tellers.

These automated teller machines (ATMs) or "banks in the wall" are becoming a common feature in High Street branches. Lloyds, an early leader in ATM technology, has over 1,100 machines installed. National Westminster, catching up fast, will have 500 in by the end of the year and 1,000 by the end of 1983. The experience gained with

the mechanised tellers is expected to usher in a new era of electronic shopping.

Next year sees the start of an experiment in which a machine on the lines of the ATM built by NCR will be used for airline reservations.

Such a self-service ticketing system presents unusual problems of reliability, flexi-bility and ease of use. Mr Douglas Kelley of Douglas Kelley Associates, the con-sultancy which worked with NCR on the design of its ATM, says the airline ticketing machine will have to read and validate a credit card, communicate with the customer anxious to make a seat reservation and then print the

The modern ATM is a far cry from the simple Chubb cash machines, based on machines, punched cards, which banks installed in the mid 1960s as mechanised tellers.

The new machines, for example the IBM 3624 or the NCR 1780, dispense cash, enable customers to check their bank balance and order a statement or a new cheque

The IBM device, installed principally by Lleyds Bank, but also by Barclays and

Barclays Bank International, Williams and Glyn's and the Halifax Building Society, enables the customer to shift money from one account to another and pay certain kinds.

ATMs installed or on order is probably now the market leader, argues that 90 per cent of all routine personal cash withdrawals will be through ATMs by the mid 1980s.

nology underlying the offerings from NCR and IBM is significantly different. (Philips and Olivetti are also strong contenders in the ATM market.)

connected to Lloyds massive computer centre. All trans-

tions controller, but the rationale behind Lloyd's choice of IBM centred on the idea that the future lay in on-line terminals. The NCR machine, popular

ate connected to the computer

relating to the date, the amount withdrawn and the amount remaining up to the Customer acceptance seems credit limit. satisfactory. Often there are queues at the ATM while the National Westminster and at Midland are currently conbanking hall is deserted. In verting the way information is written on the card maythe first eight months of this

year, withdrawals through Lloyds ATM's totalled £522m; last month, £30m was with-drawn from National Westminster's ATMs alone. Small sums by the usual clearing standards, but a significant pointer to the way most bankers think their business is going.
NCR, which with 2,000

Although offering basically

similar services, the tech-The IBM till is continuously

actions are validated and effected using the power of the multiple IBM mainframe computers there.

The machine can operate off-line through a communica-

with National Westminster, Midland and Barclays banks, on the other hand can oper-

or work on its own-If the customer asks for a balance, the ATM telephones the central computer for the



Philips' microprocessor card serves as an electronic cheque book

# Label print system

COMPANIES INVOLVED in at the press of a button, any



Quening up to tap into £10m worth of computer power

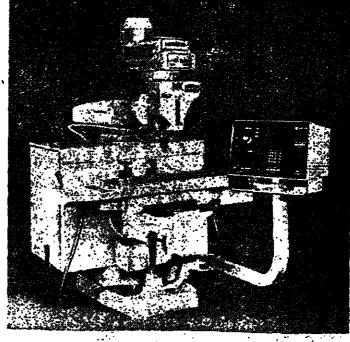
### Graviner Mark mist detector

GRAVINER; THE aviation and marine fire explosion protection company in Slough, has announced its Mark Five oil mist detection system for marine

diesels. Protection of marine diesel engines from explosions depends on the continuous monitoring of the density of oil mist from the

After a number of explosions, some with fatal results and the loss of the ships, Graviner, in association with the British Shipbuilding Research Associaton, pioneered a detection method about 25 years ago.

Graviner has since developed four models but its latest Mark Five includes a microprocessor and the company has updated the rest of the technology



### Toolmaster controls cut costs

AN ADDITION to the Tool-Hurco claims that this fourth masters Controls range of Hurco addition to the range offers all CNC machining centres, designated the KMB 1m has been the benefits of its programming announced. A knee-type facility but at a lower cost. machine with a positioning More from Toolmasters 0734 accuracy to within 0.001 in, 691919.

# Atlas Copco Compressed Technology

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undergrou

drainage

# Wiegand principle for UK

SITE AND building access plastic cards using the Wiegand principle together with appro-priate readers are now being offered in the UK by Cardkey

Systems of Reading,
Cardkey Systems U.S. parent,
VSI of California, recently
bought Systematics Inc of New Jersey which produces Weigand principle equipment.

In the U.S. Systematics will be operated as a manufacturing

division of Cardkey USA and products will be sold workdwide through the group's international sales network, including Carlonal sales network. ing Cardkey Systems in the UK.
The Weigand effect uses specially processed wires embedded in the card with magnetically polarised charac-teristics and a card reader with an integral magnetic field which interacts with the wires. The result is a coded signal which will grant or deny access to controlled areas by operating

an electric door lock.
Simplicity is the keynote. No
external power supplies are
needed and there are no moving parts. The only movement involved is the passage of the card itself across the reader entry slot. More from Cardkey on 0734 415211.

# Waste paper for heating

REDUCED FUEL bills as a MEDUCED FUEL bills as a must priority in industry could be helped by turning the considerable amounts of waste paper, card and harboard generated by the company into useful heat.

Extracta Engineering, Holder Road, Aldershot (1953, 218581)

Road, Aldershot (0252 316661) suggests the answer with its German designed waste burning system.

The company says that between 3 and 31 kg of wastepaper can produce about the same amount of heat as a line of fuel oil. The shredder can handle up to 400 kg of waste

the labelling of cartons and variable information (name and pallets and with the production address for example) is filled The company claims that its latest system can scan 10 different sectors of a marine diesel address for example) is filled Put some teeth into of variable make-up products or specific customer labels in and the associated printer is instructed to print the label might be interested in a cath-ode ray tube-based system that in 10 seconds with channel telephone cost as many times as may be needed. capabilities between four and allows almost anything desired 10 channels. control. The unit is more compact than previous models, lighter and is self-compensating for oil mist build-up on the monitoring At any time, new information to be printed. can be added to a design of a specific label simply by calling Labels are designed by the A TIGER Telephone Management System can bite 20% user on the face of the CRT more off your telephone bill! That's the experience it up on the screen and using from the keyboard. Each design refreeds of compagnies like yours. Who ere now a few buttons. An index can be can be given a reference num-ber and can be kept in the displayed showing what label designs are stored. Starting windows. controlling and reducing this big over It uses solid state lamps and a liquid crystal display for the first time. Full technical machine's disc store for later price on the equipment is £6,900. wild, contact us now:
Minster Automation Limited, Dept. 1,
Minster Automation Limited, Dept. 1,
Stone Lane, Wimborne, Dorset 8H21 THD.
Jephane (0202) 880251, Telex 417288. recall. Variable fields in the label are left blank. details are available from More from Alpha Numeric Systems, Marlow (06284 5265). Slough, Slough, 3245. Then, when a particular label is needed, the design is recalled

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Median S

Septemor.

CHRISTOPHER .

# Government support for solar studies to continue

THE DEPARTMENT of Energy well suited to British conditions. heating Most face south, have is to continue to support studies The Department of Energy extra insulation, double glazing into the contribution solar present four-year programme tion to saving energy. It sive designs can be compared, runs out at the end of the year.

Already nearly fam has been of between 5 and 10m tonnes built by Pikington for the

Already nearly £5m has been committed to the programme and even before any official results are available from the various trials, the DoE has decided to continue its evaluations for at least another four years.

One of the most important techniques using solar energy and which may alter the shape of Britain's houses is passive solar heating. This is the use of the building itself to collect, store and distribute solar energy—rather than adding extra equipment to the home such as solar panels and mechanical pumps.

This can be achieved in many ways. At its simplest, involves ensuring that the south facing wall of the house has a large window area-while cutting down on windows on other walls—and increasing internal wall thicknesses to act as a heat store.

More sophisticated systems include adding conservatories to the south walls or the roof of the house to act as solar col-

Heat is stored in the facing wall and transmitted to the rest of the building by various

Another major design under trial in the UK is the Trombe Wall. In simple terms, it can be thought of as a conservatory reduced to the depth of only a few inches. Trombe walls were developed for

of coat a year could be saved out of a total consumption in the order of 150m tonnes a

Until now much of the claimed benefits of so called passive solar heating have been heoretical. Monitoring of new dwellings with passive systems has not been carried out sufficiently long enough to provide any conclusive evidence.

National energy consumption figures show that about 33 per cent of fuel used in the UK goes on the domestic market -about 20 per cent of domestic consumption is used for space

in new house construction would be a mere £50 while the energy contribution would be about 100 kWh/year-about 10 per cent of the heating require-

Conservatories and roof collectors could provide up to 2000 kWh/year but the cost of installation is higher. A root, collector added to an existing building would cost around

The DoE studies are centred around three major projects two at Milton Keynes and one on Merseyside. The largest of the projects is centred around 180 homes on Milton Keynes' Pennyland Estate.

climates which are cold but . Houses have been built with have sunny days, and are not so various degrees of passive solar

believes that passive solar heat- and thermel shautters. Included energy can make towards heat- ing can made a modest but on the estate are some convening Britain's homes when its nevertheless beneficial contributional houses with which pas-

In Merseyside nine homes built by Pilkington for the clderly at Higher Bebbington have Trombe Walls. They are being compared with conven-tional new housing. Unfor-tunately, Pilkington found that the direct effect of adding the Trombe walls was not assessible because they bad not built the conventional housing to the same insulation standards as those with the Trombe Wall.

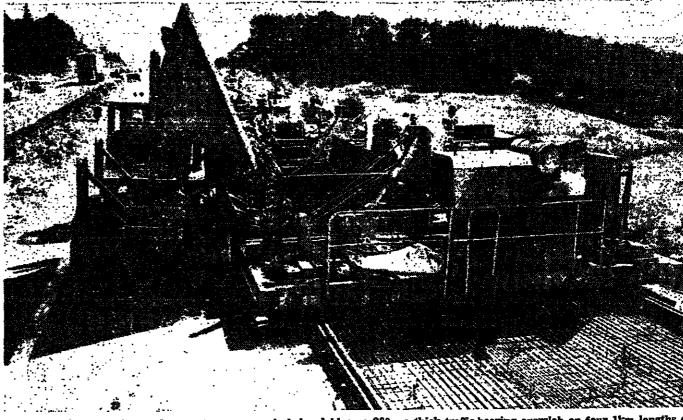
Extra insulation has now been added to the control houses and some results are expected within the next six months or so.

Dr Stephen Worszlak at the Building Research Establish-ment says this outlines the diffi-The DoE says that the extra culties of drawing any conclu-cost of adding the simplest sions about new forms of energy form of passive solar heating energy conservation—especially when they are based on low numbers of dwellings.

Energy consumption depends on the lifestyles of the occupants and may also be affected by odd constructional defect. So a far greater number of homes need to be built before conservationists can claim firm statistics for passive solar heating. However Dr Wozniak says

that the return to consideration of heat conservation during the design stage of homes can only be considered beneficial. "It only good building practice to design homes and offices which take account of local environmental conditions,"

ELAINE WILLIAMS



CONTINUOUSLY reinforced concrete pavement is being laid as a 200mm thick traffic-hearing overslab on four 1km lengths of failed flexible road on the A2 near Canterbury. Kent, because the dual carriageway, opened in 1976, has deteriorated rapidly under the onslaught on increased heavy goods vehicle axle loadings on the London to Dover trunk route.

# Vigeria awards £16m contract

THE SURVEY, design and con-struction of a 14.7 km effluent pipeline from the bleached kraft pulp and paper mill complex now being built at Iwopin, Ogun State, Nigeria, will be carried out by Land and Marine Engineering (Overseas) under a contract valued at about £16m awarded by the Nigerian National Paper Manufacturing

The 900 mm diameter pipeline itself will be manufactured by Johnston Pipes, Telford.

Heigel: City-Museum, Munich

from glass-reinforced plastics resin. The work will involve laying 7 km of pipeline in jungle and mangrove swamp, 6 km of pipeline across two creeks, and a 1.7 km sea outfall for the effluent.

The sea outfall works will involve the construction of an extensive cofferdam at the beach-head and the use of Land and Marine's pull barge LM Odin, which will be taken across the South Atlantic from Uruguay to Nigeria for the job. of international banks.

Dredging work for the creek crossings will be undertaken by Land and Marine's sister company, Westminster Dredging

Survey work for the pipeline project has been done and construction is scheduled to begin this month. Completion is due in April 1983. The project is wholly financed

through an ECGD-backed loan and an Eurodollar line of credit

# GLC scheme for the retired

COMPLETION work on a scheme for retired people at Swanage, Dorset, will carried single carriageway road and out by Herbert H. Drew and 600 metres of new or improved son, New Milton, Hants, whose dual carriageway trunk road. tender of £208,066 has been accepted by the GLC.

Work on the four blocks of six flats has begun and should be finished by next summer. Construction began in May 1976, managed by Morgan Grenfell but the contract with the and Co. on behalf of a group original builder had to be rescinded when



# deal for **McAlpine**

A SECTION of the M54, mainly in Staffordshire, is to be built by Sir Alfred McAlpine and Son (Southern) under a contract valued at £13m awarded by the Midland Road Construction Unit of the Department of Transport.

The section, about 7.9 km of dual carriageway two - lane motorway, will run from a point north of Codsall to the A449 trunk road at Coven Heath and the roadworks will include a grade - separated roundabout junction with two slip roads on the A449.

Related alterations necessary to maintain the side-road network, and other grade-separated Greater London Council housing crossings, amount to about

Existing drainage patterns are to be maintained by the laying of three culverts and a short realignment of the River Penk. Three major overbridges. two major underbridges, two canal bridges, a river bridge and four minor overbridges will also be built.

# Mansell tots up more than £5m

more than £5m have been awarded to the London-based

tions and extensions to the Surbiton, Surrey, is due for company's office building at completion in 14 weeks. The 27-32, King Street, Covent contract, valued at £338,745, has Garden, WC2. The architects been placed by Sun Assurance.

has begun on modernising and Assurance's existing offices the Henrietta Barnet of refurbishing commercial A negotiated contract valued Central Square, NW11.

Plastics soil

waste, rainwater

& underground

drainage

Compres

Technoli

privately-owned builder R. Mansell.

The largest, placed by Alliance Assurance, is for alterafloors of the Tolworth Tower at to R. Mansell include a ware-

CONTRACTS TO a total value of premises owned by the Church at £609,124 has been begun at more than £5m have been Commissioners. Also in the King's College Hostel; Vincent City, fitting-out work valued at Square, SW1. on improving the

house development valued at £532,000 in Havelock Terrace. SW8, for Fairwood Wiggins; factory units valued at £300,000 for are Chapman, Taylor and Work has now begun on a J. Gardiner Holdings on the Gar-Partners.

At 53-65, Worship Street in Street, Reading, for alterations the City work valued at £675,000 and extensions at Sun and rebuild a teaching wing at and rebuild a teaching wing at the Henrietta Barnet School in

To the Holders of

### TOKYU LAND CORPORATION

74% Convertible Bonds Due 1996

Pursuant to Clause 7(B) and Condition 5 (xii) of the Trust Deed dated as of 31st March 1981, relating to the above-mentioned Bonds, notice is hereby given as follows:

A free distribution of Shares of our Company will be made to shareholders of record as of September \$0, 1981 in Japan at the rate of 0.05 Share for each Share held.

As a result of such distribution, the Conversion Price at which the above-mentioned Bonds may be converted into Shares of our Company will be adjusted effective as of October 1, 1981 Japan Time, from Yen 325 per Share to Yen 309.5 per Share pursuant to Condition 5 (C) of 7% % Convertible Bonds

TOKYU LAND CORPORATION

Dated: September 14, 1981



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Sparrows are alive and licking today because we made the right decisions yesterday. 36 years ago we decided to make the crane hire sector our own... to amass a body of experience so comprehensive that the world would beat a path to our

10 years ago people said we were mad when we backed our faith in big lifts as a building and civil engineering technique by asking Gottwald to build for us the world's first 500-tonne truck mounted crans.

At the time this was 3 times the capacity of any other comparable mobile crane. Nevertheless we led the industry into big crames and our judgement has been triumphantly vindicated by the fact that today the 500-tenner looks something of a fledgling.

We now have the ability to lift

1600 tonnes in a single lift - and we are already looking hard at the next For crane hire large or small, offshore

services or complete contract services, contact, any of our depots.

# A sceptical look at the SEC

Securities and Exchange sion exists because it is merally assumed that if it did not the U.S. financial markets direct response to the unsavoury investment practices which led up to the stock market crash of 1929, and for most of its near 50-year exist-ence it has been regarded as one of the most prestigious and effective of the Federal regulatory agencies.

A provocative new study of The SEC and the Public Interest" argues that there is no evidence to suggest that the existence of the SEC advances that is defined. The agency is both less powerful and more yers and accountants who make costly than is commonly be their living from it. costly than is commonly believed. And its main role is not to protect investors but to referee the competing demands interests of those who have a vested interest in securities legislation—lawyers, accountauts, investment analysts and the SEC's own 2,000-odd employees.

### Scandals

The argument is that if the SEC existed in order to correct failures in a free market system, there would have to be convincing evidence that price manipulation and fraud price manipulation and fraud of the growing importance of would be excessive in its institutional investors.

Yet the agency has been noticeably coy on these fronts. It has obliged companies to produce an enormous volume of financial data, at a total annual cost estimated by the authors at over \$1bn. Yet requirements—as opposed to information voluntarily provided by companies—have rather improved the pricing mechanism for securities in the itself has made very little effort of its regulations, or to show they have reduced the Street. like the Equity Funding affair. Press, £12.25

indicates programme

6.40-7.55 am Open University

(Ultra High Frequency only). 12.30 pm News after Noon. 12.57

Regional News for England (except London). 1.00 Pebble

Mill at One: 1.45-2.00 Bod. 3.15

Songs of Praise from Dartmouth. 3.53 Regional News for England

(except London). 3.55 Play School. 4.20 Puzzle Trail. 4.35

Jana of the Jungle. 4.55 John Craven's Newsround. 5.35 Willo

6.00 Regional News Magazines.

the Wisp.

Instead of existing to serve the interests of the general public, the hypothesis is that an agency like the SEC once could not be trusted to produce it comes into existence, tends competitive services at realistic to concentrate the benefits of prices. It was established as a regulation on a small group with a large vested interest in the regulation, and penalise a much larger group — but at a rate modest enough to ensure that the costs of organising a campaign against the regulations outweigh the burden which they impose.

Thus the costs of the SEC's disclosure programme does not weign heavily on the large numther of people who end up paying for it — the customers of the companies involved. But the public interest, however the existence of these rules means a great deal to those law-

It follows from this argument that regulations are introduced or modified not as a of various interest groups and, result of strong leadership from in particular, to cherish the the SEC but simply in response the SEC but simply in response to the ability of various vested interests to organise themselves effectively and bid for or against the particular regulation. Thus the disclosure system has been modified in a num-ber of cases where it has posed a threat to small but well defined users of the market olace. like the oil and gas in dustry or the venture capitalists. Similarly the SEC began to abandon its support for fixed

commissions once economic pressures for such a change

began to build up as a result

# Expensive

This picture of the SEC as a passive, expensive and largely ineffective body will naturally various analytical studies have don. But it cannot provide unfailed to produce support for mixed pleasure to that chamble idea that SEC disclosure pion of self-regulation, the London Stock Exchange. If it is true that economic pressure high-handed than Federal intervention brought down the fixed commission secondary market. The SEC structure, there is every reason to suppose that sooner or later to measure the full social cost those same pressures will make themselves felt on Throgmorton

level of manipulation in the The SEC and the Public In-market place. And it has not terest, by Susan M. Phillips managed to prevent scandals and J. Richard Zecher, the MIT

7.20 Freebie and the Bean

11.25 A Little Night Music. 11.55-12.00 News Headlines.

6.55-7.20 Heddiw., 11.55 New

Headlines, News and Weather

lines. News and Weather for

Northern Ireland-12.57-1.00

All Regions as BBC 1 except

Cymru/Wales—12.57-1.00 pm

6.25 Nationwide.

8.10 Panorama.

Minnelli.

6.55 Angels.

as follows:

# Scarman: the police and the riots

from the welter of well-meaning (often conflicting and ill- for at least the last two deconceived) advice showered on of the twentieth century. Lord Scarman.

summing up concluded un-equivocally that the Metro-politan Police had over the recent years adopted the wrong style of policing of an inner city area with a high ethnic minority population.

Instead of achering to the traditional law enforcement role of the police, what was demonstrably required was more subtle approach of actively gaining the munity and relegating the law enforcement process to that of crime prevention by enlisting local support through social both official voluntary.

The burning question now is whether a recipe for future policing of that kind, if endorsed by the highly respected views of an English judge of considerable eminence, will be politically and publicly acceptable Lord Scarman may write. It will be a measure of the

duced to civil policing of Britain for at least the last two decades

Fundamental to . To the surprise of many, that appreciation of the need for numming-up concluded un-change is a fresh understanding of the nature of crime in modern society. Popular con-ceptions about policing tend to battlefield: the police are en-gaged in war against crime.

> facet of everyday human and social relations that are part of the scene of life, and is not peripheral to the social spectrum.

The difficulty is to persuade in its midst, but that is the task ahead. It is all too easy to exaggerate the levels of crime but politicians and their con- and to play upon people's fears stituent electors must prescribe. that they will be engulied by criminal behaviour unless some

THE direction in which Lord Scarman towards the underScarman has been pointed in standable predicament of the standable predicament of the standable predicament of the namely the police. We are prewriting his report on the serious disturbances in Brizion both that police and uninterpreted, successive in solving outrageous crimes. writing his report on the metrophical route that will sented almost daily, underested they are often negaty successive in solving outrageous crimes, in April can be gauged more hearly from the forthright sumingrup by counsel to the inquiry, Mr Robin Auld QC, than quiry, Mr Robin Auld QC, than dured to civil policing of Britain Rules and almost daily, underested they are determine both that police and uninterpreted, successive in solving outrageous crimes. The detection rate for murder increasing, even alamning piccular suit of professional criminals changes that need to be intro-ture of the volume of crime. It often relembers and ufti-

But do these crude figures really mately successful.
reflect the true state of crime? There have been some notable
A few simple lessons need to successes in recent years against be learnt. First, we do not know armed robbers, drug smugglers

### THE WEEK IN THE COURTS

BY JUSTINIAN

Even Mr Auld, in his we never shall know, simply these criminal activities do not measured restrained criticism because a mass of criminal call for saturation tactacs like of the Metropolitan Police, activity goes on without it being talked of the "fight against reported and recorded. We do crime," an unhelpful start to any know a little about recorded understanding of crime. Crime is endemic. It will always be with us, and the problem is its containment within socially which actually results in an tolerable bounds. Crime is a facet of everyday human and

and police activity is that variations in the use of both foot The experience of and more often than not in no of actual crime.

scrupulous fairness of Lord drastic action is taken by the ineffective in their detection of engaged in dispersing the

nothing about all crime. And and large scale fraudsmen. But-

the crime rate? The answer is But what is becoming more that it is unlikely to have much. evident to the students of crime if any effect on the actual

The experience of some (but and mobile police patrols results not all) police strikes shows the public to make rational at best in marginal changes in that an absence or reduction of responses towards criminality the level of recorded crime, police may lead to widespread theft and looting, robbery and change at all. In short, more disorderly behaviour. The extenpolice management on the streets sive looting in Brixton within is not directly related to levels a short distance of the disturbances that April weekend, when The police are by no means the police were exclusively

of policing, without either any stoking up the hurning hostility withdrawal or intensifying the between black youth and youns numbers of policemen, is unlikely to make any impact on

the levels of crime. The overall lesson is that popular conceptions of policing are seriously wide of the mark. The police are failing in their task only in terms of the unachievable aim of controlling crime. Rising crime rates cannot be blamed on police failure, since crime is determined by a multiplicity of factors, of which only a few are within the pro-

A corollary of this is that rising crime rates are unlikely to be stemmed by stepping up the number of police in any. long periods of time. The answer to that depressing fact is to turn attention away from the traditional law enforcement and look to crime prevention in its own policing.

to bring greater control in fact by consent will then become a reality rather than be a matter of lip service by chief officers of police.

Lord Scarman may dwell on these aspects of his inquiry simply because police intensification in the Brixton area to

riotous mob, tends to support cope with street crime was un-that view. But a constant level doubtedly a prime factor in between black youth and young constables, to which all witnesses (police and community leaders alike) testified with

evident feeling.
The overriding mistake of the senior officers of the Metropolitan Police was to fail to see that the price of marrinal (is any) benefit of special operations against street crime was to create an intensity of longstanding and growing bitterness and hestility in the black community towards police con-stables, to the point where public disorder was almost inevitable.

Why the police failed to per-

ceive the consequences, albeit unintended, of their actions is particular area for short, or even. a large question that may call for examination after Lord Scarman has been and gone. But one perceptive commentator observed privately during the inquiry that the reasons for the by other devices that involve disturbances could be summed the community to some extent up in terms of two titles of Jane Austen's novels - too Police resources deployed to much pride and prejudice and community policing are likely too little sense and sensibility. In last week's Justinian and, more important, greater column the last sentence of the confidence in the police. Policing piece on the closed shop victory piece on the closed shop victory of three ex-British Rail men before the European Court at Strasbourg was inadvertently not printed. It stated that." the case was a valuable victory for individual liberty, even if the inroad upon the close shop sys-

tem was minimal."

# Beaten Shergar is 'over the top'

Shergar's participation or lack of it in the Prix de l'Arc de Triomphe is imminent, according to the Aga Khan. But it seems on the cards that both he and Michael Stoute will want to call it a day with the Derby winner.

It is difficult to escape the conclusion that there was some foundation to the adverse rumours surrounding his well being prior to his defat into fourth place in Saturday's classic at Doneaster which is two furlangs longer than the Epsom Derby distance.

Already syndicated for £10m. Shergar—who got unexpectedly warm at the start after keeping cool in the saddling and paddock preliminaries—is almost certainly now "over the top" for the season. I cannot see the Aga Khan further risking the colt's badly dented reputation. This, only three months some quarters.

Dick Hern, who was saddling his fifth St Leger winner in the now Longchamp-bound will be looking to

### RACING

BY DOMINIC WIGAN

another tough colt, Prince Bee, this afternoon.

Sir Michael Sobell's Sun bay bids for his first Prince victory of the season in the Valdoe Stakes at Goodwood he took last year's where Gordon Stakes en route to victory over Light Cavalry in the Great Voltigeur at York. Prince Bee has not been seen

Listen" with Katharine

All IBA Regions as London except at the following times:

Celebrity Darts. 17.30 Singray. 12.30 pm Botenic Man. 1.20 Anglia News. 2.00 Monday Film Matines: "Knights of the Round Table." starring Mel Ferrer, Robert Teyfor and Avs Gardner. 5.15 Bless Me Father. 6.00 About Anglia. 6.30 Survival. 12.00 Anglia Late News. 12.05 am Presenting Lens Martell. 12.35 Reflection.

ATV

BORDER

CHANNEL

GRAMPIAN

ething Different,

Border News Summary.

GRANADA

ANGLIA

NO ANNOUNCEMENT over after Shergar was being hailed in public since he lost both his Shergar's participation or lack "the horse of the century" in front shoes when finishing down front shoes when finishing down the field in the Grand Prix de St Cloud. However, he is ready to do himself full justice and can outstay No Lute. The field is ruade up

Noalto, whose stamina is likely to be tested to breaking point, and by the now extremely unreliable World Leader. In a fascinating race for the

R. J. and S. Westhampnett Stakes, the unimpressive Lingfield winner, Loyal Toast, can return to the form which saw him outclassing Incandescence and Telephone Man in Ascot's Sandwich Stakes.

### GOODWOOD

2.00-Loyal Toast\*\*\* 2.30—Lantic Bay 3.00—Noumayr 3.30—Prince Bee\*\* 4.00—Beacon Hill\*

4.30 Red Gold

"Once You Kiss A Stranger." starring Carol Lynley, 4.00 European Folk Telas. 5.15 Happy Days, 4.00 North-East News, 5.02 Sale of the Century, 5.30 Northern Life. 10.30 North-East News, 12.00 Countryside Christian.

12.30 pm Botanic Men. 1.20 Lunchtime. 12.30 Monday Metines: "Essy
Money," starring Grets Gynt, Dennis
Price, Jack Warner and Petuls Clark.
4.13 Ulster News. 5.15 Jos 80. 6.00
Good Evening Ulster. 6.30 Give Us A
Cluc. 10.20 Ulster Weather. 12.00
Bedtime.

YORKSHIRE

9.30 am European Folk Teles. 3.40
World We Live In. 10.05 The Hercufoids. 110.30 Laurel and Hardy In.
"Unaccustomed As We Ara." 11.00
Nawa from Nowhere, 11.55 Watton
Watton. 12.30 pm Botanic Man. 1.20
Calendar News. 2.00 Bygones. 2.30
Monday Matinee: "The True Story of
the U-2 Suy Incident." 5.15 Survival.
6.00 Calendar (Emley Moor and Belmont adinons). 6.30 Give Us A Clue.

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7.30. Mats web & Salt 2.30. Box Unice
10 am 5 pm in person-baone-poet &
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WESTWARD

WESTWARD

9.35 am Seasme Street. 10.35 The
Lost Islands. 11.00 Tens River Expodition. 11.55 Wattoo Wettoo. 12.30 pm
Botsnic Man. 1.20 Westward Nows
Headlines. 2.00 The Monday Mannes:
"The Molly Meguires," starring
Richard Herris and Seas Connery. 4.18
Gus Honeybun's Birthdays. 5.15 Happy
Deys. 6.00 Wastward Diary. 10.22 West,
ward Late Naws. 12.00 Feith For Life.
12.05 am West Country Weather and
Shipping Forecast.

YORKSHIRE

THEATRES THEATRES

NYNDHAM'S. S. 836 3028. CC 379 8565 Groups 836 3962 Mon-Fr. 8-00 541 6-00 8-845. Runs 2 br. Beit & Braces in DARIO FD'S ACCIDENTAL DEATH OF AM ANARCHIST. LAST 8 WEEKS. CINEMAS ... CLASSIC ENTERTAINMENT TELEDATA 04-200 0200 CLASSIC 7, 2, 3, Naymerket (Piccadily Circus Toby) 67-505 1-57ket 1 30 (Piccadily L. STRIPES (AA), Progr. 1 30 (Pict Sun) 1.20, 5-50 prior:
PALACE S CC 01-437 6834. Rodgers and
Hammerstein D OKLASIOMAI CHILDREN
Hammerstein D OKLASIOMAI CHILDREN
HEURI DESTRUCTION OF THE PRIOR OF TH

OJIO. Opp. Tottenham CT. Rd. Tube Fully air-conditioned. 1: FOR YOUR EYES. ONLY (A) in Doby Stereo Pros 12.48 2.55 5.55 R. Jo. 2: ALTERED STATES (X) in Doby Sperce. Pros. 12 G. 3.10. 5.40. 8.10. 8: TIME BANDITS (A) Progs 1.10 3.30 8.55 8.20. 4. STRIPES (AA) Progs 1.40 3.25 5.55 8.25. S. AIRPLÂNEI (A) Progs 12.45, 2.45.

CLASSIC 1. 2. S. TOTTENHAM COURT TR. OT 1505 6145 1: REAMER VS KRAMER (A) 2.55. 7:00 In Dolly Stereo: 2. S.O.S. (AA) Pross 1.40 (Not Sur.). 3.55. (AA) Pross 1.40 (Not Sur.). 3.55. (AA) Pross 1.40 (Not Sur.). 3.55. (AS) Pross 1.10 (Not Sur.). 5.40, 8.05. Pross 1.10 (Not Sur.). 5.40, 8.05. CLASSIC, Leicester Studge, D1-930 6915.
THE CANNONEALL RUN (AL. Frogs 1.00 (not 5m) 3.20, 5.40; A.C.;

ODEON LEICESTER SQUARE (930 ST11).
ESCAPE TO VICTORY (A), See prog.
Drs Open Diy 12.45, 4,00, 7.40. All
Seats Booksbie in Advance At Box Office
or by Past.

STUDIO 1 and 2. Oxfore Circus, 437
3300. Licd bar, 1: EXCALIBUS, (AA).
Progs. 1:40, 4:45, 7:45. Late show
Fri and Set 11:00, 2: SUPERMAN II
(A): Progs. 12:25, 2:45, 5:30, 8:15.
Late show Fri & Sat 11:00.

# ART GALLERIES

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F.T. CROSSWORD PUZZLE No. 4,671

The solution to last Saturday's prize puzzle will be published with names winners next Saturday. ACROSS

1 Check the accuracy of what Tve said—I'll venture to say it's correct (4.2,5) 7 & 28 Strict disciplinarian having the wherewithal to

polish up a bore (6) 9 Boast about a shoe (5) 10 Bird to make love senti-mentally and caress fondly

11 Plant a Turkish standard for an Arab follower (9) 12 The best part to paint first one state that's

13 Choose visual (7) 15 Broach a Polynesian bark (4) 14 Fish with the French and 18 Trim a fancy pigeon and part of its feathers (4)

20 Extend the length of a prison sentence (7) 23 Reach the same level as one of the same rank (5)

cup (9) 26 Initial error made by a fielder (5,4) 27 Prize for a child in custody

(5)

28 See 7 Across

in song (5,3,3)

DOWN Fail to hit American bonnet?

It must be the state of the girl! (8) To steal from the upper classes is appropriate we hear—and explosive (8) Measure a given number of

lines in feet (5) 4 Was to leave port and another drink (7) Applaud for bad service, but it's only a little tap (7) the Cockney says, should give a fine smooth finish (4-5)

7 Dried fruit is seen in wet weather (6) 8 Was introduced to about everybody with a hammer beat a quack (9)

16 The fineness of gold and silver flag (8) 17 Just placed over a period when grass and herbs and fruit were produced (5,3) 24 Train once, perhaps for a 19 Gamble on a mathematical basis, but it will need

6.66 am Weather. 7.00 News. 7.05 Morning Concert (5). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composer: reserves (7) Moving Concert (Counties). S.W. News. 8.05 This Week's Composer: Thomas Tailis (s). 9.45 Edinburgh International Festival: String quartet recital (s). 11.05 Joequin Achucarro pisno recital (s). 12.10 pm BBC Welsh Symphony Orchestre concert, part 1 (s). 1.06 News. 1.05 Concert, part 2 (a). 1.50 Violim and Marpsicherd 20 Star's prize could be a source of interference (7) 21 A smoking-jacket? (6) 22 Set free and it's rotten (6) 29 For 24 hours you are the one 25 Turkish commander at home once more (5)

The state of the s

pm Northern Ireland News. 3.53-3.55 Northern Ireland News. 6.08-6.25 Scene Around Six. 11.55 News Headlines News and 9.00 News. 9.25 The Monday Film: "Cabaret." starring Liza Weather for Northern Ireland.

England-6.00-6.25 pm Look East (Norwich); Look North (Leeds); Look North (Newcastle): Look North West (Manchester); Midlands Today (Birmingham); Nationwide (London and South East); Points West. (Bristol); South Today (Southampton); Spotlight South

News of Wales. 1.45-2.00 Dan Draed. 6.00-6.25 Wales Today. West (Plymouth). BBC 2

6.40-7.55 am Open University.

11.00-11.25 Play School.
4.50 pm Open University.
6.55 FACTS: Football Association Coaching: Tactics, Skills.

7.20 Return Call to Brass

Today. 12.00 ATV News. 12.05 am Something Different. BBC 2 Scotland—12.54-1.00 pm The Scotlish News 6.90-6.25 Reporting Scotland. 11.55 News Head-

7.20 Return Call to Brass Tacks. 7.25 News Summary. 7.30 The Schneider Trophy.

9.00 Dolly Parton—On Tour. 9.50 Brass\_Tacks. 10.30 Jack High. 11.00 Newsnight.

# †11.45 Laurel and Hardy in "Twice Two."

LONDON 9.30 am Cartoon Time. 1 9.40.

Leave Cape Horn to Port. 10.25

Richard Pearse. 11.15 Rocket

Robin Hood. 11.35 Razzmatazz.
12.00 Chorlton and the Wheelies. 2.25 School Raport. 6.25 Ladies First.
12.16 pm Rainbow. 12.30 Me and My Camera. 1.00 News plus FT. My Camera. 1.00 News plus FT Index. 1.20 Thames News. 1.30 Come Taste the Wine. 2.00 The Riordans. 2.30 Monday Matinee: Inferno in Paradise." Tweety Pie. 4.20 The Sooty Show. 4.45 Into the Labyrinth.

5.15 Botanic Man. 5.45 News. 6.00 Thames News. 6.25 Crossroads. 7.00 The Krypton Factor.

7.30 Coronation Street. 8.30 Jonathan Dimbleby: In 9.00 "East of Eden." starring

Timothy Bottoms. 10.00 News. 10.30 "East of Eden," continued. 11.20 Suooker: The Jameson International Open Cham-

pionship. 12.00 Superstar Profile. 12.25 am Close: "Sit up and (a) Stereophonic broadcast

RADIO 1 SADIU I
5.00 am As Radio 2. 7.00 Steve Wright. 9.00 Simon Betas. 11.00 Andy Pachies. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.30 Dave Las Travis. 4.30 Pater Powell. 7.00 Stayin Alive. 8.00 Richard Skinner. 10.00-12.09 John Peel (a).

RADIO 2 RADIO 2

6.00 am Stave Janes (s). 7.30 Tarry
Wogan (s). 10.00 Jimmy Young (s).
12.00 John Dunn (s). 2.00 pm Ed
Stewart (s). 4.00 David Hamilton (s).
5.45 News and Spart. 6.00 Dan Dun
bridge with Much More Music (s).
8.00 Folk on 2 (s). 9.00 Humphrey
tyrtdeton with the Beat of Jazz (s).
9.55 Sports Dask. 10.00 Peta Clayton.
with Round Midnight. 1.00 am
Truckers' Hour (s). 2.00-5.00 Yau and
tha Night and the Music (s).

PADIO 2

RADIO 3

Neighbour. HTV 10.35 Thomas Bawick. 11.00 Sesame Street. 12.30 pm Botanic Man. 1.20 HTV News. 2.00 Shuttleworth Vintage Planes. 2.15 "Three Coins in the Fountain." starring Ciliton Webb and

recital (5). 3.00 Matines Musicale (5).
4.00 New Records (5). 4.55 News.
5.00 Memly For Pleasure (5). 7.00
Giula (short story). 7.30 Nash
Ensemble, part 1 (5). 8.10 The Festival
Scene in America. 8.30 Nash Ensemble,
part 2 (5). 9.15 Harold in Italy by
Berlioz (1953 gramophone record by
Toacanini). 10.00 The Bush and the
Garden Cities. 10.30 Jazz in Britain
(5). 17.00 News. 11.05-11.15 Elgar
Pert-Songs (5).
VHF only—Open University: 5.55-5.55
am and 11.15-11.56 pm.

RADIO 4

5.00 am News Briefing. 6.10 Farming
Water. 6.25 Shipping Forecast. 6.30
Today. 8.35 The Week on 4. 8.45
Seven Graham Greene short stories.
9.00 News. 9.05 Start the Week. 10.00

Tondon Broadcasting

London Broadcasting

London Broadcasting

London Broadcasting

RADIO 4

5.00 am News Briefing. 6.10 Farming West. 6.25 Shipping Forecast. 6.30

7 Todey, 8.35 The West on 4. 8.45

7 Seven Graham Greene short stones.
9.00 News. 9.05 Start the West. 10.00

News. 10.02 Enterprise. 10.30 Oally
18 Service. 10.45 Morning Stary. 11.00

News. 11.05 Down Your Way 11.50

Weigh-in. 12.00 News. 12.02 pm You and Yours. 12.27 Joka by Johe

Weather Programms. 1.90 The World at One. 1.40 The Archers. 1.55

Shipping Forecast. 2.00 News. 3.02

Afternoon Theatre (s). 4.35 Fritz on Menday with Fritz Spiegl. 4.45 Woden to house ("The Luck of the Bodkins").
5.00 PM: Nows Magazine. 5.50 Shipping Forecast. 5.55 Weether; Pro19 Gramms News. 6.00 News. including Financial Report. 6.30 I'm Sorry. I
Heven't a Clus (e). 7.00 News. 7.05

Manday With Fritz Spiegl. 4.65 Woden for the More of the Bodkins ").
6.00 PM: Nows Magazine. 5.50 Shipping Forecast. 5.55 Weether; Pro19 Gramms News. 6.00 News. including Financial Report. 6.30 I'm Sorry. I
Heven't a Clus (e). 7.00 News. 7.05

Manday With Fritz Spiegl. 4.65 Woden for the Move of the Bodkins ").
6.00 PM: Nows Magazine. 5.50 Shipping Forecast. 5.55 Weether; Pro19 Gramms News. 6.00 News. including Financial Report. 6.30 I'm Sorry. I
Heven't a Clus (e). 7.00 News. 7.05

Manday With Fritz Spiegl. 4.65 Woden for the Move. 6.33 Inside London, 7.03 Black Londons. 5.15 Mount on the Move. 6.33 Inside London, 7.03 Black Londons. 5.80

Mandio 1, 10.00-5.00 am Join Back London, 7.03 Black Londons. 5.80

Landon Broadcasting

6.00 AM Bob Holness and Douglas Cameron. 1.00 Peter Allen, with Chlet Rabbi. Sir Emmsnuel Jakobovits. 12.00

LBC Reports. 7.00 pm Midnight Extra. 2.30

LBC Cinema. 4.00 After Eight Sunday (repeat). 5.00 Morning Music.

Capital Radio

7.00 am Mike Smith's Breaklast Show. 10.00 Michael Aspel. 12.30 pm Mike Allen (continued). 3.00 Roger Scott. 6.30 London Tonight. 5.30 Alan Freshman (rock music). 10.30 John Saccha's Late Show. 12.00 Midnight Special:

Dorothy McGuire. 4.45 Bailey's Bird.
5.15 The Finatones. 5.00 Report West.
10.28 HTV News.
HTV Cymru/Wales — As HTV West
except: 12.00-12.10 pm Flatabalam. 1.302.00 Hamdden. 4.45-5.15 Ser. 5.00 Y
Oydd. 5.25-7.00 Report Wales. 8.309.00 Yr Wythnes. SCOTTISH

9.30 am Larry The Lamb. 9.40 The World We Live In. 10.10 Young Ramsay. 10.35 Cartoons. 11.05 Pro-Celebrity Darts. 11.30 Stingray. 12.30 9.55 am England Their England, 10.20 Adventure Time. 10.30 Wild, Wild World of Animals. 10.55 Welcome to World of Animals. 10.55 Welcome to the Ceiteth. 11:20 Pro-Celebrity Snooker. 12.30 pm The Botamic Man. 1.20 News Headlines ' and Road and Weather Report. 2.00 Monday Matines: "The 25th Hour," starring Anthony Quinn. 5.15 Emmerdale Farm. 6.00 Scotland Today. 5.40 Crime Desk. 12.00 Late Call.

SOUTHERN

9.30 am Hercules the Wrestling Bear.
10.10 "Showboat," starring Kethryn
Grayson 12.30 pm Botenic Man. 1.20
Southern News. 2.00 "Reach for the
Sky," starring Kenneth Moora. 5.15
The New Fred and Berney Show. 6.00
Dey By Day including Southsport.

TYNE TEES

S.35 am Bailey's Bird. 10.00 Focus
On Wildlife. 110.25 Laurel and Hardv
in "Leave 'em Laughing." 10.50
Secween the Tides. 11.05 Thunderbirds.
12.30 pm Botanic Man. 1.20 Border
News. 2.30 Monday Matinee: "Decay."
starring Edward Judd. 5.15 Survival.
6.00 Lookaround Monday. 6.15 The
Springers. 6.45 The Pet Show. 12.00
Border, News Summary. 9.20 am The Good Word. 9.25 North-East Naws. 9.30 The History of the Motor Car. 9.55 The Beachcombers. 10.15 The Beatles. 10.25 Mumbly. 10.35 Stingray. 11.00 Seatme Street..12.30 pm Botanic Men. 1.20 North-East News. and Looksround. 2.00 Monday Matinee:

9.50 am First Thing, 10.40 Al Geming
—Man of the North, 10.55 Tarzan,
11.05 Cell it Macaroni, 11.30 The preRaphaelite Revolt, 12.30 pm Botano
Man, 1.20 North News, 2.90 Monday
Matines: "Aired the Great," starring
David Hemmings, 5.15 Month and Mindy,
6.00 North Tonight, 6.30 Target Bowls,
12.00 North Headlines.

9.30 am Evolution. 9.50 Cool McCool.
10.15 Terzan. 11.00 Seaame Street.
12.30 pm Botanic Men. 1.20 Granade
Reports. 2.00 Monday Matines: Elizobeth Tsylor in "The Taming of the
Shrew." 5.15 Worzel Gummidge. 6.00
Granada Reports. 12.00 Love Thy
Naicabour.

9.45 am Survival. 10.10 Fanglacs.

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**MIBALL** 

# Heaven and Hell

by B. A. YOUNG

a genius for idiocy. In Heaven and Hell, Dusty Hughes deals only with one short period in his life, the times that followed his arrival in London; but he gives us a glimpse of the full man, conceited, lecherous, hypocritical and popular. Indeed, there he is, full-length, in the first scene is, full-length, in the first scene, on his knees in the kirk, chatting with God about his failings and, when it occurs to him, undertaking to avoid them. Jimmy Chisholm's likeable performance really does help one to understand why such a ludierous chap should have made so many distin-guished friends.

Dr Johnson is only one of them. This isn't just another Boswell piece. Before we grope. Louisa remains true to encounter Johnson, we have already met Lady Northumber-land (delightfully played by Nick Ellsworth, who is well over six feet high) and two fellow-Scots. Dempster and Erskine (Jimmy Yuill and Mr Ellsworth again. Mr Ellsworth is also a leopard, Goldsmith and a pimp who, I'm sorry to say, claims to have served in my old regiment). The Scots embarrass Boswell, who believes that being Scottish will keep him from getting on in Society, by singing a raucous song praising

Prince Charles Edward. basis of his reported speech, suphy.

James Boswell's delictous He has his appearance very well, diaries reveal a young man with tubby and scruffy, and he throws off those famous obiter dicto as a natural part of his conversation. His accent, which is strongly Cockney with added Midland u's, must surely be wrong; Johnson came from Litchfield and had been associating with men of educationwith actors, even-for some time.

> But perhaps Mr Hughes has put the accent in symbolically, for the production, directed by Richard Wilson and designed, charmingly, by John Byrne, is full of symbols. When Boswell is making love to Louisa (Celia Imrie, who is five other people, including Garrick), he has been talking to her for less than a minute before he whips up her him for several months, and when they split, she returns all he has spent on her, a touching

I like the short comic-strip scenes best; the long scene at the Hellfire Club, which finds room to show Johnson's sexual urge for torment, seemed to me disproportionately long, for all its jokes. I liked Boswell's medical treatment for the clap; and I liked the way his diary got bigger and bigger as he found more and more of record about himself. We only see the Dictionary once; Sam is Jonathan Adams is a John sitting on its three volumes by son refreshingly free from the the leopard's cage, and he pomposity that it's so easy to whacks it with his cane to con-attribute to him purely on the fute Bishop Berkeley's philo-

### **Book Review**

# Monumental Mason

by ANTONY THORNCROFT

Before I forget by James Mason. with lawyers and agents. Hamish Hamilton, £9.95.

rather odd autobiography which star of the British cinema in is perhaps inevitable because he the 1940s, cast as the man that comes across as rather an millions loved to hate - gives unusual man. For a start there him more pleasure now than is next to nothing about his the locust years that followed private life. He gets married in Hollywood when for every and divorced in virtual asides decent film — Julius Ceasar. with no explanation and no constant pustification. His tastes, his disappointments does not sufficient the barely But James Mason does not feature. He is fond of cats, and indulge in reverie or regrets. later his children, but this in- He remarks that his reputation formation comes out incident as a villian during his Gaine ally. What James Mason is presenting here is a record of his really borne out by the roles acting career: for film buffs, at home with obscure directors. and cameramen; it could well be fascinating; for the general

He has never been easy in a public role, as his clashes with journalists testify. He is his own man for better or for worse and his selfish integrity eventually excites sympathy. For example, he stood no truck with the Second World War: he reckoned that his best contribution to victory was moving to a larger house and devoting the extensive grounds to the cultivation of vegetables. Fortunately for him the government came to realise the morale boosting role of the film industry and Mason was saved by his conscience: however Noël Coward did not regard him as patriotic enough to have a part in In Which We

Although Mason recalls little of his childhood in Huddersfield -he typically regets never having asked his parents about the family history — he is a W. B. Yeats' one-act verse quintessential Yorkshireman, drama The King of the Great self-contained, unemotional, Clock Tower is to be given at grifty. He drifted into acting. helped by his social background. after taking a First in archi ance in the Cottesloe on tecture at Cambridge, and was October 9, 15, 16 and Novemtecture at Cambridge, and was never out of work for long. It is his early career, making the rounds of the provinces in a company somewhat similar to performed with an earlier Yeats the troupe in The Good Companions, which is most interest-

than a list of films and battles

CAT GALLER

CLU35

Service Services

One would guess that the first James Mason has written a successful career—as a leading decent film — Julius Ceasar, Lolita—there were half a dozen

borough Studio days is not he played (perhaps it was his brooding saturnine good looks that suggested evil), and he later remembers the dozens of reader it hardly compares with films in which he meets a sticky back issues of Picturegoer. and But for the most the man And yet Mason's very reti. is hidden behind a professional mask.

Before I Forget ends with Lolita. Ahead of him there was to be a new wife and an established reputation. For all his intelligence James' Mason has been curiously ready to accept roles in second-rate films-but then he admits to needing money; he had the makings of a fine classical actor, but he has mainly avoided the stage. There is an underlying strain of melancholy behind these stiff pages, but that is another Yorkshire characteristic. 'Despite the absence of human interest in the book a very human story seeps through.

Platform performances

of one-act dramas by Yeats

W. B. Yeats' one-act verse the National Theatre as an early evening platform perform-It will be in a new ber 9, 10. staging, with music and direc-tion by Harrison Birtwistle, and one-act play. The Cat and the Moon, also with direction and ing By the time he has reached new music by Birtwistle. Hollywod there is little more Both plays, seldom Both plays, seldom seen, draw on Celtic mythology.



# Revolving to success

by COLIN AMERY

speeding juggernaut.

old inns.

and now the latest scheme is

in the centre of one of Suffolk's

company towns, Leiston, not far from Aldeburgh and the de-

lights of that wonderful coast-

line. This is far more ambitious

because it tackles a set of build-

obvious charms of cottages or

Leiston is a town that grew up

with the agricultural engineer-

ing works of the Garrett com-

magnificent traction engines for

farm work all over East Anglia.

made the town as its business

prospered. As it declined, the

works in the town centre be-came vacant. When the re-ceivers moved in, so the council

saw its chance to tackle a really.

Some of the industrial build-

ings were worth keeping. The best, the Long Shop, as aisled

and galleried workshop, is to

become a regional industrial

museum and this home for the

great traction engines is to be

Some of the five acre site is

of the site are the managers'

funded by a separate trust.

difficult conservation problem.

The firm, which made

When times are bad it is To make this a viable scheme heartening to report a success story that could well be an encouragement to others. The story begins in the agreeable Suffolk town of Woodbridge where the Suffelk Coastal District Council conceived of the idea of a revolving fund for conservation purposes. The idea is a simple one. The council in 1974, voted £25,000 from its capital funds to conserve a row of 11 cottages which were then sold on the open market. The scheme turned out to be a profitable one and the money was then available for a more

ambituous project. The architect/planner Michael Talbot, who is behind the schemes, has no objection to being described as an estate agent. He feels that conservation has got itself a bad name when it is a rather negative activity that ignores the forces of the market place. There is no reason for conservationists to be ashamed of the fact that well-restored older properties can usually be sold at a profit and make very run-down areas into what estate agents would call "desirable neighbour-

hoods." In Suffolk the way that the programme developed from the initial experiment in Woodbridge is instructive. The first scheme was carefully chosen. Woodbridge is a small town that has good communications with London, good sailing, good architecture: it is a booming place to live. A glance in the estate agents' windows shows how high the property values

The decision to restore the houses to a high standard using the services of the highly reputable architects. Feilden and Mawson, certainly should not have failed to produce a profitable scheme.

The next effort was a more risky one. The council decided the facade. Surprisingly these to buy the old pub, The Angel, in Saxmundham, on the main road but in a conservation area. garland decorations.

tion of Pride and Prejudice,

makes a very pleasant evening.

and the memoirs of Macready give him generous scope to

It would have been a tragedy if the house had been allowed it was necessary to exchange some of the surrounding properto vanish. Instead it is the centrepiece of a conservation scheme (architects Michael and ties to that seven residential units and one shop could be Sheila Gooch) and has been made available for sale. This was another success - although made into three houses. Inside it took a little longer to sell there is a variety of rooms and some of the atmosphere has inthe houses and the specially commissioned Angel Inn sign, evitably been lost but by any standards they make fine homes. They are still on the market at swinging over the street to remind passers-by of the more bucolic past, fell victim to a prices from £35,000, (enquiries Suffolk Coastal District Woodbridge, Saxmundham.

Council). Surrounding the rather grand managers' house is a range of good redbrick industrial buildings and an older corner of idiosyncratic buildings, including one with a clock tower and cupola that is being carefully repaired. ings that do not have all the

This scheme shows well what can be done with a set of buildings that exist in a similar form most small towns. More importantly the work of the District Council's planners and architects shows the effectiveness of the simple financial arrangements of a revolving

If Michael Heseltine allowed local authorities to set aside some of their funds for this purpose outside their budget ceilings he would, at a stroke— as we used to say — have found a way of investing profitably in the infrastructure of our towns. Suffolk is not alone in trying this method of funding conservation but their success to date demonstrates that the method is applicable to a wide range of projects. Privately funded building trusts can work but they cannot an acre for the revolving fund take on such large schemes or process to tackle. On this part quite the kind of risks that a local authority with a spirit of

house-a four hay residence enterorise can absorb. with a fine grey brick facade of the 1820s with a good Tuscan Leiston is a good example of taking the initiative in a town that has potential of a less obvious kind than older and ing fund should be spinning.

columned entrance. The skyline is particularly distinguished by the acroterion topped corners of more spectacular places. If the houses sell there are at least 15 more schemes in the pipeears that carry carving are made of cast-iron embossed with floral line-by which time the revolv-

Macready! by Antony Thorncroft Frank Barrie, perhaps most it He was thrown from Rugby great actors of the day or the widely known for his stylish School on to the stage to redeem competition between Macready performance as Darcy in the his impresario father from a and Kean. At one performance recent BBC Television adapta- debtors' prison and he retired, in New York Macready precipiwith a £20,000 nest egg, at the tated a riot which led to 31 age of 57 in order to regain his deaths, but perhaps other factors were at work here. He has devised an entertainment self-respect by organising based on the diaries of the great schools for the poor in remote Victorian tragedian, William Sherborne. He only allowed his plete social acceptance in his life-time — Oxford University Macready. After great success in many children to see him on New York this one-man show stage at his farewell perform-bas come to London and it

withdrew an invitation to read Hamlet to the students because an actor might corrupt them but he left the stage in a much more respectable, if duller, state. Frank Barrie is far from dull in his timely injection of vitality into what has become a lacklustre London theatrical

St. John's, Smith Square

# Michael Nyman Band

Promotion of New Music mounted its annual Composer's Weekend in London - "an intensive four-day festival," chiefly at Morley College, of workshops, forums and lectures by composers and performers, highlighted by four public evening concerts under the collective title of "Music of the

The second of these concerts. at St John's on Friday, presented a concert by one of the Weekend's resident groups, the heterogeneous ensemble which the composer Michael Nyman founded four years ago to perform his own music, at first briefly called Movable Dough, then Campiello Band, and now, more simply and to the point, Michael Nyman Band.

The instrumentation of the Nyman Rand has changed since the Campiello days: only a bombard remains of the assortment of mediaeval winds and strings which used to crowd the stage, their places taken now by modern counterparts, violins, electric guitars, clorinets, saxo--two dozen or so instruments, played by an ensemble of ten. But the manner of the music is much the same, and no less difficult to label. "Minimal repetitive rock" isn't quite it: there is more compositional complexity in Nyman's music than in most "minimal" work;

any case more that of Fifties ance as it goes. Heavy Beat than rock, and there are no drums; the roots go back to Liszi, via Cole Porter and Rakhmaninov, rather than to the barrelhouse.

Perhaps there's no need of a label. The style, many of whose elements are obviously deriva-tive, is a weird and genuinely original synthesis. In essence, it relies on the melodic elabora-tion of a repeated harmonic rift or vice versa, the harmonic elaboration of a repeated melody. But the effect is a great deal more complex: a hypnotic palette of shifting colours that embrace (and subtly unearths) at least a score of different nostalgias. For many listeners, the nostalgias may be allergies, and the feelings unearthed may pains or prejudices: I can understand many sincere musi-cians being driven to distraction by Nyman's music (and not least by the fact, casily remedied, that the performances, all amplified, are often much too loud). But at its most quirkily were the most developmental engaging. I find it often and most self-consciously extremely funny, unexpectedly "composed," but paradoxically arresting and strangely beatiful. volume-level is right, the result is not (as some at the discussion

This year the Society for the the sound-world evoked is in sound-ripple that gathers reson The programme began with

Campiello oldies: the defiantly exuberant Bird List (but what has happened to the voice and the list that used to be there? - cruel excision) and In Re Don Gioranni, that irreverent but jubilant cross-breed of Mozart in cowboy boots with Paul Anka. Others were newer and less familiar. Mclody List was a doubledecker, a wild and plaintive medley of different waltzes played together, prelude to a creamy cinema-organ fantasy, like a rock Come Dancing. Fire Orchestral Pieces Opus Tree derive their rhythmic and intervallic working from Webern's op. 10 - No. 4 walks a tricky tightrope successfully, a homage (not merely to Webern) that is deeply sentimental without being kitschy. The last two works and the most recently written, Songs without roice and Plotting for the Shopkeeper. were the most developmental sometimes sounded the less original and When the more derivative. The richer the dressing-up, it seems in this music, the blunter the edge? All praise to the newly enterprising SPNM for such an unusual divertissement, and unusual

DOMINIC GILL

Sadler's Wells

# La Fille mal gardée

afterwards seemed to find it)

either overbearing or ostenta-

sincerely good-humoured and robustly insinuating, a happy

tious-but on the contrary, both

Friday night's presentation of La Fille mal gardée I thought quite one of the nicest, most enjoyable that I have seen in years. The ballet is cramped on the Wells stage, but the dancers in the Wells section of the Royal Ballet are in no way hampered in their interpretations: a heart-warming pleasure in what they are doing marked every moment of the evening. And so the ballet looked far more beguiling in its pastoral

delights than at Covent Garden. with a sense of happiness unknown in the glibly efficient and preditable playing we see at the Opera House. Leading Friday's performance Galina Samsova and David

Ashmole were a partnership of winning charm. Samsova is the gentlest of Lises, never coy or roguish, acting with what seems a radiant spontaneity. To see her unbelieving amusement at Alain's first solo, her embar-rassed tears when Colas surprises her from his hiding place, or the adorable way she and Ashmole present the little scene of prayers after the storm, is to witness detail replete with humour, exquisitely judged. As always with Samsova the danc-ing is a continuous pleasure in its rich texture, its phrasing, its coherence - everything makes sense. (What does not make sense is the mob-cap and hair-style Samsova adopts for

the first scene—most unflattering.) Ashmole's Colas has none of the conscientious air that sometimes makes his heroes seem dull sticks. There is eager humour, an immediacy and a verve in his reactions, which bring welcome lightness to the character. And he is dancing better than ever before: the choreography is understood, easefully mastered, even if the stage is too small for him. As with David Blair's creation and only Blair's, in my experience - thet rectitude of the dancing, its directness and honesty of manner, provide an exact reflection of Colas' yeo-

man worth. From David Bintley sprightly and acerbic view of Simone that was outshone on the next afternoon when he pulled off a noteworthy double and appeared as Alain. His Simone does not quite rise to in the opening scene, but with the clog dance and the bustle of the farm-house act, the reading is as good as we know it

should be, with a fine snap and

edge to the personality. His Alain at Saturday's matinée was tremendous. Part of Bintley's happy gift as a character dancer comes from his comic traditions of the theatre choreographer's understanding — back, perhaps, to Little Tich, of the potential of the steps he or even to Joey Grimaldi, who performs. This Alain, gormless and sweet-natured, buoyed up on crazy enthusiasms, cuts every the music-hall manner of the Ashtonian caper with zest. The splendid Norman Evans for catestrophes of the first solo, Simone. the attempt at partnering in the corn-field (and his final sky- day afternoon were Sherilyn wards exit, more agitated and Kennedy and Carl Myers, who storm-tossed than any 1 have produced performances of seen), the twisted agonies of sunny sincerity and that frankanticipation as he makes for Lise's room, are grandly exploted in dynamic as well as emotional terms. There is true

pathos, true humour; it is a wholly original and convincing reading.

departure.

As a character dancer Bintley suggests links with the best once convulsed audiences on this same site, and certainly to

The Lise and Colas on Saturness in emotion as in dancing which wins all our affection. They are a charming couple. CLEMENT CRISE



David Ashmole and Galina Samsova

FOOTBALL BY TREVOR BAILEY

# West Ham win keeps fans happy

Norway last week was thank opposing defences. fully absent from Upton Park on Saturday where there was a feeling of justified optimism and a large, happy crowd.

leaders of the First Division as a result of their 3-2 victory over Stoke but in the process also produced a lively enjoyable game, which held the fans . Central defenders until the final whistle and sent

them home happy. Goddard, the club's most expensive purchase is a young. sharp, positive lead forward who combines well with his partner, the taller Cross, who is especially dangerous in the air, whether scoring or laying on opportunities for his col-

Behind, alongside, and sometimes in front, of this pair are Neighbour, who is virtually an old-style winger with a desire and Pike cover an enormous

Goddard

Against Stoke. scored two spectacular goals and would have had the hattrick he deserved but for a reflex save. The third Hammers' West Ham not only remain goal came from a penalty after Devonshire was brought down by the keeper with the goal at

The visitors must also take considerable credit for the entertainment provided, because they showed themselves to be an imaginative side who came with the intention of winning by playing constructive football. rather than attempting to stifle the opposition and pinch a point

Although they failed; there were times, especially before the interval, when they looked as if they might succeed. Howto dribble down the right flank ever, the home team's central and centre; in the middle Allen defenders, Martin and Bonds, gradually extinguished the real amount of ground at pace and, threat of Chapman and Heath with infectious enthusiasm; and and, even when the latter was

promotion last season were so in occasional sorties up field, plainly the best and most cultured team in the second rest of his side.
division, one felt confident they The return of Trevor Brookdivision, one felt confident they . would finish in the top ten of the First. Whether they can dimension to their attack, plus continue to challenge for the the experience for which there never won, is a very different hard campaign. matter.

the Hammers were impressive a boon. It will provide Trevor and at times brilliant but they with an additional spur, as well did make rather too many as reducing the dependence of inaccurate passes, usually his colleagues upon him. Therethrough excessive haste, which have been occasions in the past expert counter punchers such as when one felt that West Ham Liverpool are liable to punish players have given him the ball severely.

flanks of their defensive wall to somebody else who was that left them exposed in the better placed. first half, despite the speed with. Whatever the future holds for which their players came back. West Ham, one thing is certain. to cover.

possess an outstanding keeper continue to play as attractively -among the finest in the land. as they did against Stoke they On an off day, or when the ball will undoubtedly give much is not running for them, he will pleasure to all who appreciate on the left the elegant Devon-moved to the left flank, neither probably earn points, just as football.

THE despondency caused by shire from a standing start has Maguire nor O'Callaghan were Shilton has done so regularly the ability to slice through able to make any more impression. West Ham when they gained example not only in defence but sets an inspiring example to the

So these are no recollections

bis fellow troupers and devoted

Barrie is an attractive actor of a besotted theatrical, and the memoirs of Macready Macready had a low opinion of

indulge in green room gossip his talents to raising the tone but also to provide insights into of the profession. the world of the early 19th It is hard to imagine the

century theatre. Macready hated popular enthusiasm for the

ing should also bring another league title, which they have is no substitute over a long,

The fact the team has done Going forward on Saturday, so well without him could provein the hope that he would con-There were also chinks on the jure up a miracle, rather than

It is good to have them back Fortunately, in Parkes they where they belong and if they

Tracy makes a \$66,000 recovery

LAWN TENNIS FROM JOHN BARRETT IN NEW YORK

Czech left-hander Martina start of the year with a sciatic Navratilova 1—6 7—6 7—6 to nerve problem. win the centenary U.S. Open at For Miss Navratilova, who Flushing Meadow on Saturday, had become a U.S. citizen on in a fierce 2 hours and 41 July 30 after moving there in minutes struggle. Miss Austin won \$66,000, with half that sum for Miss Navratilova.

The men's semi-finals resulted in wins for the top two seeds. John McEnroe and Bjorn Borg. to provide a repeat of the 1980 final and last July's Wimbledon title. final that will have a strong bearing on this year's world rankings. McEnroe survived a bad fall and an angry argument with umpire Leon Lipp, who warned him publicly under the time-delay rule, to beat fellow American Vitas Gerulaitis 5-7 6-3 6-2 4-6 6-3 in three

hours and 50 minutes. In a sparkling match of fremendous hitting that lasted 139 minutes. Borg brilliantly resisted the spirited attack of Jimmy Connors to beat him

5-27-56-4.

IN A TERILLING final of sharp a highly satisfying achievement contrasts, 18-year-old Californian for her, after a four months' Tracy Austin beat the former absence from competition at the

> 1975, it was a magnificent failure. It was a disappointment, too, for her beroic win against the holder. Chris Evert Lloyd, in Friday's semi-final had suggested she might at last capture her first U.S. singles

Martina can look back with exciting to watch.

with her attacking strategy in two baseline players in the went against the service, broke game on two of the windlest paid, because the swirling con-Two years ago Miss Austin ditions affected the methodical, became the youngest U.S. accurate games of her oppowomen's champion, and it was nent more than her own.

Afterwards Miss Navratilova other with angles, drop-shots ability.

Miss Navretilova's attack pre- to 30 with some tentative play. normal rhythm. Her defences a good enough length to keep her opponent away from the net. But this mature, tough match-player -- no longer the 14-year-old Alice in Wonderland pride on two fine performances. figure we remember as the

again to lead 4-3 and forced

girl trying to out-manoeuvre the club.

acknowledged a debt to fellow and lobs. After a service break professional Renée Richards, each way at the start of the who, she said, has belped her final set. Miss Austin broke to resture her belief in her own again to lead 4-3. But she appeared to "choke" on her For a set, the brilliance of lead, and lost the next game

vented the tenacious little. However, when she lost her American from finding her serve again, after holding two championship points while leaddemolished, she could not find ling 6-5, she dismissed the setback from her mind, and played with power and purpose to win some fragile volleys from a Uring opponent.

This was a fitting climax to There was the same free-flowing youngest competitor ever at a well-organised centenary meet. aggression, based on a penetrat- Wimbledon in 1977-dug her- ing that seems certain to break ing, swinging serve, early-hit self into the rallies and began last year's ground record of approaches and penetrating to understand how to use the 364,370. The Saturday crowd of 18,392 was a record for the Miss Austin was denied a set event, and, like all American Miss Navratilova persevered point when leading 5-4 in the sporting crowds, they were with her attacking strategy in second set, but, after the first noisy and totally involved in both matches against the best four points of the tie-break, the action.

After a spectator had been forcibly removed on Friday for days I can remember at these Miss Navratilova into error to persistently interrupting play, championships. Her courage win the sudden-death sequence it was disturbing to learn that according to the police, he was The rallies were resourceful British—a refugee, perhaps, and often spectacular with each from some soccer supporters'

By Quentin Peel, Africa Editor, in Luanda

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# **UK** politics in flux

RARELY CAN British politics have been in such a state of flux as they are today, at least on the surface. It needs only a glance at the schedule of forthcoming events to take in the possibility of a change of clothes, if not a change of cast.

This week the Liberal Party Assembly meets in Llandudno to discuss an alliance with the new Social Democratic Party. Almost certainly, the motion for alliance will be endorsed by an overwhelming majority, just as the Scottish Liberal Party voted in favour last weekend. In two weeks' time the Labour movement will hold its own election for the deputy leader-ship; the result still seems delibalanced between Mr Denis Healey and Mr Tony

### National mood

Shortly afterwards the Social Democrats conduct their itinerant party conferences in Perth, Bradford and London. There is an important by-election in the offing in Croydon North-west which could well be won by the new alliance from the Couservatives. In the meantime the lack of unity within the Govern-ment camp has again been demonstrated by the almost total breakdown in communications between Mrs Thatcher and Mr James Prior, the Employment Secretary.

The recent indicators of the national mood, in so far as they exist, have also been hard to read. On the one hand, there were the riots in London, Liverpool and Munchester. On the other hand, there was national jubilation at the Royal wedding.

### Catching up

In many ways it is not surprising that the two-party system as we have known it since the Second World War should appear to be breaking up. Judged by results, it has not been notably successful in comparison with other industrialised democracies—though that is not always the comparison made by the bulk of the British electorate. It is also the case that the two-party system was based very largely on divisions of

Today the old class divisions have been at least partially eroded. In one way that is a tribute to the two-party system. Yet it also follows that there is now a sizeable chunk of the electorate which has no natural loyalty either to the Tory or Labour Parties. From the early 1960s onwards there was a tendency among the disaffected to vote Liberal, at least in-by-elections and especially under Tory Governments. In general elections they tended to revert to the two major parties, no doubt in the belief

that a vote for a smaller party was wasted under the British electoral system. Three factors seem have contributed to a change in outlook. The erosion of the class system has continued apace. Successive governments, whether Tory or Labour, have

failed to deliver as much as they promised, thus adding to the general disillusionment with the main parties. And the emergence of the Social Democrats—in potential alliance with the Liberals—has created the possibility of a third party worth more than a protest vote. Opinion polls all summer have consistently suggested that such an alliance could be a formidable, perhaps even conquering force at a general election.

### **Failings**

In one sense politics has simply begun to catch up with process of social change which the political system has itself helped to bring about. It is also gratifying that at a time when yet another government appears to be faltering so many British voters should be turning to a new alliance of the centre rather than to the extremes of left or right.

It would be naive to assume. however, that the emergence of a new political grouping, whatever its support, is itself a salvation. Some of the failings in the British economic performance must lie in ourselves, independently of the political system. What we still need to know is why Britain has done relatively so badly. At this was not necessarily any the general election, there is still worse for that; it is possible to time for all parties to apply have class politics without class themselves to that question.

# Opening up the Indian economy

THE TERMS of the \$5.6bn loan balance of payments Mrs Indira India is to receive from the International Monetary Fund over the next three years are economic achievements over the not likely to be onerous. This past two years. The most is shown by the willingness of important of these is the the Indian Government to make the terms of the loan public, when, as is expected, it is finally signed next month. Indian officials are pleased with the way the negotiations have gone. There will be no devaluation of the rupee or strong deflationary measures, though cuts in a range of price subsidies are likely.

With the rapid deterioration in India's balance of payments the money is hadly needed. The trade gap in 1980-81 rose to \$6.1bn and falling reserves are now only sufficient to cover three months imports. The main culprit in the deteriorating financial situation is the rise in the world price of oil and fertilisers, together making up well over half the import bill. In addition there has been an increase in the volume of imports of wheat, cooking oil and sugar. A poor monsoon in northern India may increase the need for food imports further and even though widespread famine can be avoided by storing food the country's finances remain very vulnerable to the

climate. India badly needs to increase its own oil production. Some two-thirds of the country's total consumption of 32m tonnes is now being imported but it is hoped to reduce this rapidly over the next four years. Pro-duction from the main offshore field, the Bombay High, is to be raised from 7m tonnes a year to 19m by 1982. At the same time tenders for exploration contracts from oil companies are being examined.

# Some advantage

These moves will bring benefits in the long term. In the meantime India can draw some advantage from the glut in the world oil market and the general fall in oil prices but loan will be most helpful Apart from the deteriorating velopment in semi-isolation.

Gandhi's Congress Government can point to some useful recovery from the failure of the 1979 monsoon when agricultural production fell by 16 per cent. There has been an improvement in the supply of electric power in the organisation of the ports and railways.

Nevertheless infrastructural weaknesses remain serious.

### Too early

The five year plan, announced earlier this year, aims to tackie these problems by emphasising export promotion, import sub-stitution and a strengthening of the infrastructure. The rise in oil prices, the root of so many of today's difficulties, has made plain as never before the vulnerability of India's relatively closed economy to events in the rest of the world. Almost inevitably the old policy of reluctance to borrow abroad, either on the commercial market or from concessional lenders such as the IMF, is now being abandoned.

It is too early to say how far present hopes of increasing exports will be successful. The ambitious plan is for them to increase by 9 per cent a year in real terms. The problem is that export incentives, however generous, will be insufficient to promote the type of growth needed while the economy is still hamstrung by infrastruc-tural weaknesses. Many plants are running at only half caps-

# Bold departure

These infrastructural weaknesses derive parily from bureaucratic red tape and partly from the closed economy mentality which has dominated Indian economic thinking since the mid-1960s. The IMF loan, though it is the result of pressing circumstances, may be seen general fall in oil prices but as a bold departure for the these will do no more than Indian Government if it matches marginally assist the balance of a new openness to foreign payments problem. It is in credits, on foreign terms, with bridging the gap between the a new readiness to benealt from medium term expectation of more open trade and investment lower oil imports and the pre-sent difficulties that the IMF vanced and complex an economy to attempt to continue its de-

# Oil, diamonds and Marx THE YOUNG white Angolan conscript who had drives the Land Rover was almost philosophical after the

and Angola. She is like a dog: she bites." He mimed the action, graphically. The latest South African invasion of Southern Angola has shown just how easily the white-ruled South can bite, and hurt, its black neighbours. Angola has drafted thousands of young men into the army, military vehicles predominate on the roads, and air-raid trenches have been dug in all the towns and villages within range of the South African Impala and Mirage fighter-bombers. Nevertheless, the South African defence force has been able to invade and occupy some 15,000 square miles of Southern Angola without suffer-

ing serious losses. Eack in Luanda, the Angolan capital, the war in the south is only a distant reality. The reminders are in posters and graffiti, and in slogans shouted at a modestly attended protest raily: " Down with the racists, they say, "Death to Botha and Reagan," "The struggle con-tinues" and "Victory is Reagan, certain."

But it is economic realities dominate everyone's which lives. In the port of Luanda, some 50 ships lie at anchor, unable to unload for months on end because of appalling congestion in the docks. Those of the city's shops that are not closed boast only a bare smattering of goods on their shelves. Often they refuse to sell the goods in their windows, because they would have nothing to put in their place.

Prices seem to have taken leave of reality altogether: One fish costs Kwanzas 4,000 (£80), almost one month's average wage, a pound of onions costs more than a bottle of wine, and two pounds of potatoes cost the equivalent of £12. The only thriving market is the blackmarket, where more goods are available than in the proper shops. Most people can get what they want, but only by endless queuing, or diligent searching, or having the right connections. The formal distribution system has simply

broken down.
Angola is caught between a military war on its border, and an economic war at home. The Government talks about offensives on both fronts. The war economy. on its border is a result of the querrilla struggle being waged period of political flux, yet with by the South West African a good two years before a Pemle's Organisation (Swano) against South African occupation of Namibia (south-west Africa).

The economic war is a consequence of Angola's colonial heritage: a bitter civil war which coincided with independence from Portugal in 1975, as four rival nationalist movements vied for political power; and the mass exodus of some 500,000 Portuguese, taking with them all their possessions and skills, and leaving behind a heritage of bureaucracy and mass üliteracy.

South Africa's incursions into Angola have spotair raid on our convoy was ever: "South Africa is sur-rounded," he said. "There is Mozambique, Zimbabwe, Zambia lighted that country's desperate plight, only six years after inde-

pendence. The Marxist Government of President Jose dos Santos is caught between a military war on its border as a result of the Namibia struggle and an economic and ideological war at home. Despite the poor state of the Angolan economy, Swapo, the guerrilla movement, is unlikely to be deserted by its friends. Western companies operating in Angola remain convinced that the South African offensive

As if such challenges were not enough, the Angolan Government is also caught up in an ideological war. The ruling Popular Movement for the Liberation of Angola (MPLA) is staunchly Marxist. It relies on the support of an estimated 18,000 Cuban soldiers, and several thousand civilians from Cuba, as well as East Germany and the Soviet Union, to train its own armed forces, run its schools and hospitals, and attempt to revive its agriculture.

will prove in the end

to be self-defeating.

Not only does it face direct South African military operations in the south, but there is the continual challenge of the rival Unita guerrilla movement, the National Union for the Total Independence of Angola. whose leader, Dr Jonas Savimbi enjoys South African support, and widespread sympathy in the Although the Government is

firmly committed to Marxist objectives—it uses all the rhetoric of Marxist textbooksthe means it employs to achieve those ends appear to be increasingly pragmatic. If it is the Communist states to which Angola turns for political and military guidance, and assistence in its social programmes, it is to Western technology it is turning to revive its moribund

capita income second only to per cent state-owned company in the face of the same massive South Africa on the continent. Diamang relies heavily on the infrastructural problems which ntry which boasts a wealth of natural resources, both mineral and agricultural Above all, it has oil, and it has diamonds. Between them, oil and dismonds provide more than 90 per cent of Angola's

foreign exchange. The oil, in the enclave of Cabinda just north of the Zaire river, and at Soyo just south of the river, is being exploited by Western companies: Gulf Oil operates off-shore at Cabinda, Texaco offjoint operation between the and this year is expected to be



Angolan Government and Petrofine of Belgium, onshore in the

Exploration rights have now been negotiated with a string of other companies, including Brazil's Braspetro, a subsidiary of Petrobras, Total of France, Elf-Aquitaine, in a consortium with Mobil and Agip, and the U.S. Companies Cities Service and Marathon.

The way in which diamond production has been revived is

Although the. Diamond Trading Company has barely 2 per cent of the shares of Diamang, it has three directors on the latter's board. With its headquarters in Dundo, on the porder Angola-Zaire diamond operation employs 17,000 Angolans, and some 800 expatriates, including more than 600 Portuguese and about 100 Britons.

The recovery of diamond pro-



President Jose dos Santos, who took over after President Agostinho Neto: died in 1979

Angola used to enjoy a per hardly less ironic. For the 77 duction has been accomplished managerial, technical and matketing services of a company which is part of the South African Anglo American De enjoys the highest priority for Beers empire, the Diamond both imports and expertise. All Beers empire, the Diamond Trading Company.

Since De Beers was brought in to help revive Diamang in 1977, when production from the three diamond areas in the north-east of Angola had slumped from a pre-independence record of 2.4m carats to barely 350,000 carats, production has steadily recovered. In shore at Soyo, and Petrangol. a 1980, it reached 1.5m carats,

economy. Like the oil industry. the diamond industry clearly. cluding diesel fuel, have to be flown to Dundo on a daily Hercules transport flight, which is

chartered from a U.S. operator. Nevertheless, lack of spare parts, irregular supplies of cement and delays in receiving import clearance have held back output. The Government is currently trying to persuade Diamang to increase its produc-

needed foreign exchange earn-

ings.
It is hard to come by statistics that give an idea of the true state of the Angolan economy. The cost of the war, both against the South Africans, and against the Unita guerrillas, has never been specifically revealed. However Sr Lucio Lara, the MPLA party secretary for ideology and, after President dos Santos, the most senior member of the Government, memoer or the Government, said in Portugal recently that defence spending now consumed more than 50 per cent of the state budget. Government spending in 1981 is put at \$3.6bm, which would put defence more than 50 per cent at \$1.8bm with the state budget. defence spending at \$1.80n.

Unofficial estimates suggest that defence spending consumed more than half of Angola's foreign exchange - including payment for armaments and for the Cuban, Soviet and East German personnel.

The next greatest drain on the economy is undoubtedly the economic dislocation. Business sources estimate that the Angolan Government is paying up \$10,000 a day in demurrage charges on each ship lying idle in Luanda Harbour-which on the present total of some 50 ships means up to \$500,000 a day. This amounts to more than Angola's entire income from aid donors.

The port congestion is a funclems: over-ordering by state Africans troops to the country. departments, a shortage of warehouse space, a shortage of handling equipment, and poor military uncertainty, Western labour relations, which has companies already operating resulted in chronic absenteeism. here seem keen to stay and shambles," according to one businessman. "It can only get better. But there is no miracle that man or God can work to towards the Angolan Governsort out Luanda in two ment. They argue that it is in minutes."

shortage. To overcome it, the Government has launched a huge literacy campaign and a massive expansion of primary education. But both will take years to make an impact.

The lack of skills means, in

turn, a lack of maintenance of all forms of equipment, causing frequent breakdowns, and often the complete destruction of machinery. The greatest toll is on the roads, since Angolan drivers are mostly self-taught. The worst is over now, because most of the bad drivers have simply killed themselves off," according to one Luanda resi-

Another infrastructure problem is that in most major towns. the water supplies are exceed ingly erratic. One reason is the great increase in demand, as water has been laid on to all the poorer areas which previously had none. The other factor is the breakdown in equipment, which was already ancient and overloaded when the Portuguese departed.
The Government bureaucracy,

operated as it is by a mere handful of dedicated and skilled civil servants, backed up by an ermy of semi-literate manual workers, has a deadening effect on most activities. The com-bination of the notorious Portuguese system of "papel azul"— endless forms on blue paper and a highly centralised Marxist system of planning and control has probably contributed as much as anything to the economic dislocation.

However, there have been notable improvements in some areas, such as public transport in the major towns and electri-city supplies. Most dramatic of all are the improvements in social services for the mass of the population - the health services now available to all, the huge increase in numbers of children at primary schools, and the numbers learning to read and write.

It is now the military situa-tion which is the biggest brake on Angola realising its obvious economic potential. The war in the south, though geographically limited, is catastrophic. Thousands of the more able young men have had to be drafted into the Angolan Army, and precious resources diverted to the war effort and refugee relief. There is little doubt that

Pretoria is perfectly aware of Angola's desperation. Part of the South African strategy is to make life even more uncomfortable, in the hope that Angola will withdraw its suc-and against the Unita guerrillas, However, the South African strategy may well invite wider international intervention in Angola, either involving the Cuban soldiers directly in the fighting, or bringing other In spite of all the economic difficulties, and the political and The port is a complete actively promote Angola's prospects. Some have been sharply critical of the Reagan Administration's equivocal attitude the interests of the West as The port is a microcosm of the of Southern Africa to promote whole economy. The most a stable Angola ever serious bottleneck is the skill Marxist Government. a stable Angola, even with a

reason

as Anthony Hope prescribed read a little poetry some

analyses,

quoting widely in Hong Kong's commercial circles, is by Chinese "poet laureate Ai Qing and was published on the eve of Lord Carrington's visit to China. It says of Hong Kong: "You're

"You're the bridge that reaches towards the four seas



"It's a case of too much gas escaping because of too much

The state of the s

Rhyme and

Anxious businessmen should.

Sir Yue-Kong Pao, venerable chairman of Hong Kong's World-Wide shipping group, reckons that he has found more reassurance about the Crown-Colony's future after Britain's lease expires in 1997 in one bit of verse than in all the volumes statistics, professional lyses, or diplomatic

exchanges. The poem, which he has been

the main artery of entry and exit for the motherland; "You're the marketplace where goods are freely exchanged; you're the conveyor belt, bringing goodwill and friendship;

and the five continents;

an adjacent theatre. a story to revive." American architect David

for her sources of inestimable wealth.

Sir Yue-Kong says those words should ease any worries about Chinese intentions. "Frankly, I wish we could have more poems like that about other places, showing an understanding of the advantages in maintaining the status quo."

### Hand clasp

Rather more prosaically, another item of news from the Rather Far East tends to confirm Sir Yue-Kong's optimism about China's attitude towards the offshore territories.

Claude Rodrigue, of stock-brokers Strauss, Turnbull, has just returned from an inter-city bridge tournament in Hong Kong at which both Shanghai and Taipeh were competing. It is believed to be the first occasion on which the two Chinas, Communist and Nationalist,

have met in any sport. Rodrigue, who has played bridge for Britain 14 times, was invited to the event as official commentator, describing and analysing the play for audiences watching the turn of the cards releved by television cameras to

Apart from the Far East, Rodrigue's skill at the game has taken him all over Europe, the U.S. and the Middle East. "Bridge builds international friendships — and its language is English," he says, dismissing the current contretemps with the U.S. over the credentials of Britain's captain, Terence Reese, in the forthcoming world championships as "far too old

## Building blocks

Cooper is coming to Britain next month to try to snap the con-struction industry out of its slump with . . . Early morning jogging? Ear-splitting blasts of fozant? Awareness exercises? Simple souls like the TUC,

the CBI and myself may think served the motherland, creating that just a little more money circulating through its veins would be tonic enough for the industry. Not at all, says Cooper. It is a question of "unlocking the creativity" of architects, engineers and surveyors and teaching them how to get into the market, find

> A member of the Florida design-build firm of Carlson Harris, Cooper claims that he increased business markedly during the U.S. industry's re-cession because of his skill in marketing. He has awards nov not only for building schools but for educating builders. The principles of his success

prospects and obtain contracts.

have already been purveyed in a best-selling book, but Cooper will pass them on personally at a £300 three-day course in Windsor Great Park organised by Management and Business Studies. "I don't think there's any doubt that architects need more get up and go," says MBS director, N. L. Cragoe.

Cooper plans to give it them by starting each daily session with a 6.30 am. "garden walk": wakening "understanding of the creative universe" with the creative universe music recitals at maximum permitted noise levels; and then imprinting his sales techniques on the suitably receptive minds.

### Name dropping

To all but the smoothest of smooth-talking City operators, the name Quilter Hilton Goodison is a bit of a mouthful. International clients of the stockbroking firm have apparently struggled even more vainly to untwist their tangues over the years, as Stork Exchange chairman Nicholas Goodison's collection of wrongy addressed envelopes (Hitler Quilter and Q. H. Goodison and

Sons) will testify.

Anyone dealing with the partnership after October 12. however, will be able to draw a slightly shorter breath. The the firm known as Quilter

Any lingering confusion with a certain London hotel will thus also be removed. Until Hilton Goodison merged with Quilter and Atchley in 1970, the former's telegraphic address was Hilton, London,

For some time the market's shorthand for QHG has been simply "Quilters." Would it have been unthinkable to drop the senior partner's name as well? "No, I don't think it was unthinkable," says a member of the Goodison family, we just didn't do it."

### Top notes

While Brian Willott has been busidy orchestrating the merger of the National Enterprise Board and the National Research Development Corporation, his wife Alison has been building sucressfully on her own musical talents. She made her debut at the Festival Hall last night in a solo recital of songs by Mahler, Strauss and other composers.

recently named chief executive of the new British Technology Group, used to accompany his wife, also then a civil servant, in lunchtime concerts at the Treasury in days gone by. There are still two grand-pianos in their Wimbledon home. But as he has surned increasingly to other keyboards, his wife has been developing as

Willott, the civil servant

a mezzo-soprano under Fabian Smith, at the Guildhall School of Music, and Morag Noble. One good turn In return for his help last week in their election campaign.

Norway's Labour leaders decided they should try to give.

Michael Foot a hand in sorting

out his party troubles. They presented him with a Rubik cube to practice moves for squaring personalities and policies at the party conference later this month.

Observer



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# FINANCIAL TIMES SURVEY

Monday September 14 1981

Next month sees the world's largest event devoted exclusively to video—the VIDCOM exhibition and conference at Cannes. In a new building at the end of La Croisette, the enlarged scale of VIDCOM symbolises the extraordinary growth of this new medium, which now impinges upon television, the film industry, publishing, education, training and communications technology in general.

# Impact of video II Market growth II Video discs III Japanese (actics III European production IV Programme explosion IV Consumer reaction V Influence on broadcasting VI Publishers' reactions VI Internal communications VIII Training applications IX

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# The mutation of media and technology the film industry—having to em-brace video, because a substan-

VIDEOTAPE RECORDING became practical technology in the early 1950s developed by the broadcast television industry. In the early prototype machines the tape travelled at 200 inches per second, compared to the inch per second of a modern home video recorder.

Advances in videotape record-ing have thus been dramatic, quantitatively as well as qualifatively, and more impressive in 30 years than aviation over 70

Yet the greatest revolution in video has been its widening repercussions on other indus-tries, media and technologies. Those early videotape recorders were merely tools of the broadcasters. At that time it seemed inconceivable that video would obliterate the future of 8-mm film, threaten the survival of 16-mm film, cause book pub-lishers the world over to fear for their own future, and make microfilm seem old-fashioned.

For 8-mm film the writing is now on the wall. The amateur movie-maker of the future will use the video recorder-camera which integrates a micro-cassette videotape recorder with a lightweight colour TV camera. Prototypes of this camera have been demonstrated by Sony. Hitachi and Matsushita, and the equipment will be on sale to the consumer within the next five

years or less.

Meanwhile, others will be marketing in Britain the remarkable Funai system --similar in compactness and quality but utilising a separate recorder on a lightweight shoulder sling. The consumer who huys (or rents) a home video camera

with micro-recorder will almost certainly possess a video-cassette recorder — used for making recordings of broadcast TV programmes and for the replay of feature films on pre-recorded cassettes. If the video disc But the mutation goes further manufacturers succeed, within in the way the professionals 10 years at least as many homes will also have a video disc player which displays on the television set not only movies but tens of thousands of still pictures - colour photographs, diagrams, even "pages" of text. Thus millions of UK homes will have the capacity to use their television set for viewin; feature films shot on 35 mm. home movies made on videotape (replacing 8 mm), collections of still pictures (even direct mell catalogues, as issued on video discs last summer by Sears Roebuck in the U.S.), and perhaps even conventional pages of text (generally interspersed between the still pictures on

a video disc) : The sound carrier on a video medium becomes involved, especially as television sets with stereo sound become popular.

This scenario is not a tech-nologist's dream of the future. Part of it is already drawn and is now happening; the rest is operational but at various stages of commercial introduction. All this is regarded by the experts as inevitable and certain to make a substantial impact on consumer media (with a few doubts about the video disc).

But the domestic consumer is not the only customer. In in-dustry and education, government, science and even the arts, video technologies are becom-ing vital ingredients in the media mix. A printed annual report may be incomplete without a supportive video-cassette; closed-circuit educational TV networks - such as that operated by the Inner London ncation Authority to 1.400

> THE IMPACT OF VIDEO

JOHN CHITTOCK

schools—have been made redun-dant by the flexibility and lower cost of video-cassettes.

Scientific observation is simplified with the slow motion ideo recorder and camera (instant replay and much cheaper to run than film); fine art publishers can now contemplate the video disc with thousands of colour reproductions at a realistic consumer when a book of the same magnitude would be priceless; no advertising agency can be without video-cassette recorder, and in the future, perhaps, no estate agent either.

The mutation of the media has become possible in the first instance through technology. are thinking about it. Enough people in television know enough about publishing, enough in the film industry recognise the potential in video, and even some in the traditional performing arts. have seized upon electronic media as a new force of expres-

few book and magazine A few book and magazine publishers are already active in video, and what started as a technical revolution is now becoming a cultural one.

Other articles in this Survey record and chart the factual evidence and some of the details inherent in this revolu-The evidence is inescapable. But its repercussions may go deeper, faring many in quality, in stereo; so another need for a major reappraisal of their marketing strategies.

For example, the broadcast television industry is now-like

tial source of its future revenue may come from video. In Britain, ITV revenues are unlikely to keep pace with the rising costs of production and extra services like Channel Four. The BBCs annual licence fee would hardly pay for one evening's viewing of commercially bought video

But the public are showing willingness to buy broadcast TV programmes on videocassettes-such as Thames TV's Morecambe and Wise Show and the BBC's Mr Smith's Vegetable

For the broadcasters it means that their work as producers is becoming more significant than the methods of Broad Cast distribution employed. The public utility nature of broadcasting may be diminished by the free market forces of video, and the individual viewer will become a customer instead of faceless member of the vast public audience

This power of the free market in video is already affecting the film industry, where some new feature productions—such as 9 to 5—are being almost simultaneously released on video. In on video before going on cinema

Pre-recorded video-cassettes are now sold to the consumer alongside paperback books, so at the retailing end of the chain at least moving pictures and print are becoming part of the same business. At the publish-ing end, however, very little in the form of video programmes emerging. The bulk of outis coming from film and TV companies and a few newlyestablished operations with no traditions in the media at all. One consequence of this is

the emergence of a new kind of media professional—a person who is an rapport with broadcasting, the cinema, publishing,

perhaps, but it is needed by the businessman who is now involved in video. Some shrewd observers may

note that a few British com-panies such as the Granada Group, Thorn EMI, the Rank Organisation and BET—already combine many of these same activities and skills.

The same influence works its way to the periphery of the media industries. In advertising, for example, video has become a catalyst in involving the agency in not only TV commercials but corporate communications, sponsorship of video' programmes, point of sale marketing, publishing, and so

An example of unexpected alliances in this field has been the recent formation of VIBA Communications — a joint company set up by Visnews and the Charles Barker Group.

This operation is offering consultancy services on video hardware and software, production work, TV training (behind and in front of the camera), distribution and technical facilities. satellite and video network services, corporate communication and advertising services related to TV and video - and across a spectrum of technical expertise that embraces everything from still photography to TV satel-

Visnews is the world's leading TV news agency, supplying over 250 international TV stations with daily video and film news clips — usually beamed via satellite. It also has extensive technical facilities, runs training courses in TV production specially for overseas clients), maintains a large stock shot library of both news footage and still photographs and even has a sponsored film production divi-

Charles Barker, one of Europe's leading advertising and public relations agencies active industry, electronics, informa- in corporate and business com- and the one which this industry tics and finance. It is an extra- munications, held the key to the is still in a volatile, indecisive



Philips video replay system offers high-quality colour pictures and full stereo sound

menta free-forsit the comman strands which appear to run through the projects which look most viable. One is concerned with the collation and dissemination of information, especially information of a type which people in coherent groupings re-quire. Another is the television screen, which must invariably be within reach at the end of

the distribution chain. In between is a special com-bination of production and marketing facilities, which on the one hand is capable of converting the information into a form receivable on the television screen and on the other hand has the wherewithal to reach those screens and also the commercial means of making the exercise profitable,

The last part of the exercise is perhaps the most difficult and the one which this industry

industrial and marketing end of mind about—with no clear the business. It is the kind of modus operandi yet evident. The marriage — between a world. Ty rental business is providing leader in broadcasting and a one important chain of outlets City advertising/PR agency — for video programmes which that only three years ago would can reach the general public. have seemed impossible. But so, too, are bookshops.

It is helpful to identify in this department stores such as Woolmedia free-for-all the common worth, petrol filling stations. direct-mail companies (selling sometimes through broadcast television).

It is as if the book trade existed solely through the same peripheral outlets just listed (which it does), but without any mainstream retailing through outlets known as book shops.

On the industrial and con-mercial level, the same un-certainty exists as to what kind of corporate entity will service this new mutation of the media. Is it the advertising and public relations agency, the specialist video consultancy, the corporate communications agencies, the information technology companies, the TV rental groups which leases and services video networks to companies such as British Home Stores and Marks

and Spencer)? Since this technology may be used for anything from on the inb training to oiling the wheek in international regotiation with foreign governments with perhaps, sponsored video-cassettes released to the public as another facet which may ir volve print publishers such as IPC—it can be seen that a verstrange creature indeed is

Perhaps one of the most interesting common strands is that provided by the connection between High Street consumer. company employee, broadcast IV viewer, manager, student and professional. In the future all these disparate groups may find themselves being served by one and the same company.



The venue for next month's VIDCOM exhibition in Cannes

# New records set each month

IN 1979, Japan produced 2.2m 1981 prove correct, the UK figure of 5m cassettes a month, substance. Despite launching video recorders; last year the penetration rate will be almost figure was more than doubled identical to that in Japan and at 4.44m. This year output will be nearly doubled again at around 8.4m.

simple statistics summarise the growth rate of remarkable video, and indicate the potential for the medium in world markets. Japanese exports have more than kept pace with production and fewer than a dozen companies in that one country are supplying over 90 per cent of the world's video recorders. In the four years to last Decem-

ber that amounted to an export total of 6.49m machines—the proportion of output going for export rising from 52.6 per cent in 1977 to 77.5 per cent in 1980. production capacity increases, the export quota also rises and both repeatedly set new records as each month's figures are announced by the Electronic Industries Association of Japan. The well-known

Nipponese penchant for setting surpassing—production targets has caused two upward revisions of output forecasts this year already; in January the target was only 6.3m. One reason for the increase is that supply is already in

danger of being outstripped by demand. Consumption. especially in Europe, has been underestimated. Within the next year it seems inevitable production of Japanese recorders under licence in Europe will begin so as to satisfy the burgeoning market. The largest markets remain

the United States and Japan U.S. sales to dealers reached 543,473 units in the first half of 1981—an increase of 90 per cent over the same period last year. As the second half year usually accounts for around two-thirds of the year's total deliveries, American dealers could handle up to 1.6m machines this year. Again, an exponential growth pattern is evident, with each year's take up roughly doubling that of the previous 12 months. In this case it would mean 3.25m video recorders in use in the U.S. by the end of the

Japan will probably take about 1.5m units this year in addition to nearly 2.5m already taken up. This represents a cumulative total of something approaching 7 per cent of Japanese homes with television. U.S. penetration will be about 4 per cent at the year-end. Significantly, if forecasts that

British homes by the end of

identical to that in Japan and could even overtake it. Britain certainly has the fastest take-up rate of any country at present and at mid-year was numerically on a par with the U.S.-113,000 imported into the UK in the nuptially-affected month of

The strength of the UK market is largely the result of a vigorous TV rental sector; there is a remarkable similiarity between the graphs for video sales and for monochrome television sets in the late 1940s and early

The only European country to rival the UK is West Germany, which uptil recently could claim to be the world's third larges video market. At the end of last year it was estimated that 375,000 recorders were in use in the country. Now, forecasts for 1981 are only slightly below those for the UK-650,000 units is the widely quoted figure.

The four mentioned so far-Japan, U.S., UK and West Germany-will be the countries with more than 1m video recorders by the end of the year. It is also perhaps of some significance that two-thirds of the world's video recorders will be in just four countriessame four countries that have half the world's television receivers.

France is lagging behind relatively: JVC Vidéo France. Whose VHS system is market leader, reckons under 200,000 recorders were in use last January. During this year a further 230,000 deliveries of all brands will be made over—30 per cent of them portable units. Another industry estimate puts 1980 sales at 140.000 marhines. JVC fore-casts 10 per cenf penetration of French homes with television by early 1985.

Netherlands, 160.000 recorders will be added during 1981 to the existing number of around 120,000 and the Scandinavian countries, led by Sweden, have lower totals but relatively higher penetra-tion because of the smaller number of homes.

The remaining units are spread fairly thinly across the world. Spain, South Africa, Peru and Colombia are all said to have 50,000 machines each, for example, although trade statistics are unreliable for most of these other territories. Video - tape consumption appears to average about six cassettes per recorder per year. Japanese sources estimate 1981 demand at 100m blank videocassettes and world production now around 10m units a month.

It is accounted for partly by the first consumer video growing cumulative recorder ownership, partly by growth in the demand for pre-recorded tapes. About 20 per cent of all cassettes made this year will be sold with programmes recorded on them, compared with 15 per cent in 1980.

In the UK, projections for sales of videograms in 1981 are in the 3m-3.5m area which, at an average unit price of £35, means a software turnover of up

MARKET GROWTH

DAVID FISHER

to £125m this year. In the U.S., about 50 titles have so far been awarded "golden videoby trade organisations to mark retail sales in excess of \$1m each.

Another emerging trend is the demand for home video colour cameras. Japanese production reached 620,000 in 1980 and is expected to exceed a million units this year. Although this figure is already quite high. amounting to one camera for every eight recorders, the market potential is still barely The perceived user value of a video camera has yet to match the asking price.

Reductions in manufacturing costs, which are almost certain to follow adoption of chargeupled device (CCD) sensors in place of conventional cathode ray tubes, will reflect in retail prices. The first consumer CCD camera, introduced in Japan by Hitachi last April costs last April, costs Y350,000 (£800).

Given that real term prices f video recorders have fallen by 40 per cent in nine years -and blank tape by 93 per cent when costed by the hour — cameras can be expected to follow this pattern.

The effect of all this growth

on the Japanese electronics manufacturers has been to boost their financial results to second levels, with video recorders no the largest single item for the two leading competitors, Mateushita and Sony. Exports: as might be expected, have also increased substantially overall. In the six months to May 1981. video provided 18.5 per cent of Matsushita's sales revenue, compared with 10.5 per cent from colour television. Sony's first half saw video leap to 26.6 per cent of turnover.

Compared with the Japanese This, too, is double last year's success. European efforts lack

recorder about seven years ago. Philips and its partner Grundig failed to consolidate that are advantage. Their hopes are now pinned on the V2000 system, for which Philips has a plant in Vienna capable of producing 750,000 machines a year. It is now converting another factor at Krefeld. West Germany, to increase capacity.

Grundig will be able to tura

out up to 400,000 units a year by next March. But their com bined total amounts to no more than 10 per cent of 1982's foreseeable production capacity. consequently limiting the ability of the Philips-Grundic partnership to capture a major market share except in coun-tries — of which Austria is the first — where trade barriers are erected against the Japanese to protect local industry.

Philips and Grundig now

have about 8 per cent of the European market with their current and previous systems. they have no stake in the U.S. or Japan.

recorders has caused increased scepticism about the prospects for video discs. So far only the U.S. has experienced video disc marketing; players come from Philips in Europe and from a growing number of Japanese firms. But the first major U.S. production of any video product that of RCA's Selectavision disc system, which was knunched last March.

RCA has forecast sales 0 200,000 of its own players and 2m discs this year Market reaction has so far failed to match expectations and only little over 30,000 players of all July. Nearly all were claimed by RCA. makes had been sold by early

This autumn may se prospects brighten. In the 2 reals since Magnavox launch? aservision in Atlanta, Georgia disc player sales have averaged just over 2,000 a month. The single most important cause for this disappointing performance is the limited range of discs available. There are still about 10 times as many titles released on cassette, nearly all of which

But now that efforts are being increased in video disc promo tion - and Philips has still not postponed its planned autumn launch in the UK — sales could pick up. Whether there will be annual output of more than am

another matter.

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The success of video-cassette

are also available on short-term

video disc players by 1984.85 is

The writer is editor of "Sci

# Three rival systems compete for a world market

THE WORLD'S first video disc farther sway from fulfilling its months since the launch of its So far the commercial normal TV viewing and a system to be sold to the public early promise than ever before, rival Selectavision system in development of the video disc marketing lead of over two was beyonded and made avail. It took seven ponderous years the U.S., RCA has already sold has offered the public just years in the U.S. was invented and made west. It took seven ponderous years able by John Logie Band in the for it to make a candida com-1830e. But the first serious commercial appearance in one U.S. mercial system (Baird's was ex-market (Atlanta in December

If was short-lived for a numbet of reasons: the discs only kind that gets screened on visited 10 minutes playing time broadcast television during the per side, they were highly evening hours of Sundays in spaceptible to handling, and December. The launch was deper, side, they were highly succeptible to handling, and they were found to develop ectinical defects during stor-

The launch was postponed lecause of these problems and the system finally came to the market with a mere 50 titles available. Most of them were the kind of material that gets screened on broadcast television during the daylight hours of Sundays in August.

The technical breakthrough in video discs came in 1972, when Philips demonstrated its VLP system. This created a stir of excitement by reason of its

of excitement by reason of its high quality performance, long playing time (about one hour per side), open-ended tech-nology employed, unique versatility with variable speeds of motion, single framing/rapid search, and the ruggedness of the disc which can be handled more freely than even audio

Now, nine years later, the hilips video disc system seems

trendely crude) came in 1975 1979), there were early technish the lianch by AEC Tele nical problems with the discs, funder of the TeD (previously and there were too few titles named Teldec system.

These were mostly of the layed (in the UK postpered at least twice) and the name of the system was changed from VLR to LaserVision.

If the similarities with the TeD system seem rather harshly delinested—in many ways that is unfortunate be-cause LaserVision is a brilliant achievement. Like the Con-corde, it is simply years ahead. And, again like the Concorde, there are many in the industry who really want it to be a com-mercial success. mercial success.

Those same supporters, how-ever, are almost unanimous in their frustration over the apparent inability of Philips to solve a succession of production and marketing problems and its unwillingness to pro-mote the unique facilities of the system by a massive investment in the new kinds of program-ming which will make the public want to buy the equip-

Meanwhile, in just

launch was a massive publicity exercise claimed to cost \$20m with an end-1981 target of

> VIDEO DISCS JOHN CHITTOCK

200,000 players sold. If RCA reaches half that figure it will be very lucky indeed.

As some people have observed repeatedly, the RCA system has many disadvantages: the discs require permanent protection in a rigid "caddy." the replay quality is inferior to the Philips system, it has no stereo sound like LaserVision, and none of the special single frame, index-ing and variable motion facili-

open to them—a huge invest—advantage over rival disc of JVC and Thorn EMI.

ment in programmes, mostly of the kind that can be seen on the kind that can be seen on broadcast television any Sunday movies.

That may leave only one that the rolling of JVC and Thorn EMI.

That may leave only one that was teachically and operation. Will the succeeding now because Thorn gramme consultant in the UK whose two-year contract expires thoughts advantage over rival disc of JVC and Thorn EMI.

That may leave only one tracked advantage against decassettes. producers on the full-time advantage against decassettes. Producers on the full-time advantage against decassettes. Producers on the full-time by the most of all it looks like role (Philips has flust one producers on the full-time by the most of all it looks like role (Philips has flust one producers on the full-time by the most of all it looks like role (Philips has flust one producers on the full-time by the most of all it looks like role (Philips has flust one producers on the full-time by the most of all it looks like role (Philips has flust one producers on the full-time by the most of all it looks like role (Philips has flust one producers on the full-time by the most of all it looks like role (Philips has flust decassettes. It had a system that was technically and operation was technically and operation was technically and operation of the full-time by the most of all it looks like role (Philips has flust one producers of advantage against decassettes. It had a system that manswered question. Will the succeeding now because Thorn gramme, consultant in the UK whose two-year contract expires the most of all it looks like role (Philips has flust the decase the most of all it looks like role (Philips has flust the manswered question. Will the succeeding now because Thorn gramme, consultant in the UK whose two-year contract expires the most of all it looks like role (Philips has flust had a district the manswered question.

nearly as many players as Philips and its licensees in over two years. But, unfortunately for RCA, that just isn't good enough, because its March 1981 launch was a massive publicity has a massive publicity and the cost \$2000 launch was a massive publicity and the cost \$2000 launch was a massive publicity and the cost \$2000 launch was a massive publicity launch was a mas that offers nothing extra but has summer. the disadvantage of no record- Despit

> films transmitted on the three channels. All were fair game for (illegal) recording by videoof the very same titles are being offered for sale on video

sumer acceptance in the U.S., severe knock in recent months. make much difference.

ng facility? of LaserVision in UK last Over the Christmas holidays winter, then last May, and now in Britain one painstaking video the autumn, the VHD system, expert counted over 40 feature only announced in 1978, will have narrowed the Philips lead to one of insignificance. No one doubts JVC's ability, with its cassette machine owners. Many partners Thorn EMI, to meet

ingly looks like the make or is little belief in the industry lence of LaserVision, Philips In consequence, RCA have In this situation Philips planned. It may be now too gone for broke in the only way should have had a substantial late to halt the rolling optimism

in another piece of equipment and European introduction next

Despite a hoped-for launch the summer date.
The VHD system now increas-

that the Philips and RCA of this technology. Despite systems are battling for con-RCA's marketing strengths them. and it explains why credibility that SelectaVision will survive in the medium has taken a for long; and despite the excel-The players and the discs are seem unable to make the right cheaper than videotape systems decisions fast enough or seem but not dramatically enough to to have the means of implementing them exactly as planned. It may be now too

A student learns Spanish, using a videodisc (left) and a personal computer, both

overlayed on a typical television set. This versatile system costs well under

\$5,000. A similar system can also be used for flight training and other applications

video-cassette technology? which aims to exploit thoroughly ing, from the beginning, that
On performance it can do it, the unique characteristics of video discs are indeed different
with picture quality almost up the system, in which stop from anything else can the to LaserVision's, and similar motion, slow motion, rapid medium succeed. The public facilities for freeze framing, access and interactive viewing can do that only on the basis rapid access, variable motion are all designed into the proreplay (although not quite so grammes. advanced as Philips' and encumbered with a protective "caddy"

This is backed with a £2.2m new possibilities in the visual for the discs). On price it can tion of the programmes and a interests that they cannot beat LaserVision and widen the distinguished creative team of advantage against videocassettes. producers on the full-time pay Yet most of all it looks like role (Philips has just one pro-

which must offer such exciting interests that they cannot possibly resist the temptation

to buy. Thorn EMI knows this and therefore stands less risk of becoming just a part of video Only by the public recognis- funken and John Logie Baird.

PHILIPS



The Japanese have so far invested \$1.2bn in video recorder manufacturing facilities. Matsushita (above) has alone invested \$350m in its three main

# How the West

# was won

JAPANESE video companies have succeeded in winning Middle Ezst, South East Asian markets with their cassette recorders.

The most reliable trade estimates put the Japanese penetration of the world market at 95 per cent, which is very nearly a monopoly.

Victor, with its video home system (VHS), and Sony with its Betamax system, are the market leaders. The only nonJapanese competition is provided by the Philips-Grandig V2000 system, modified last year from a 1970 system which was not success-

Japanese industry sources say that the market ratio between: VHS and Betamax is 70 to 30 in favour of the Victor VHS system, 80 to 20 in the U.S., 70 to 30 in Japan itself, and 70-20 in Europe, with Philips-Grundig having only a

10 per cent share.
The Japanese Electronics
Industry Association estimates that video recorder production this year will reach 8,400,000 units, up from an earlier prediction of 6,500,000 units. Last year the total output was 4,411,000 units.

Of this year's output at least 1,500,000 are expected to be sold in Japan, with the rest for export. Europe takes 42.1 per cent of Japanese rethe U.S. with 30 per cent and Asia with 17.8 per cent. Why have the Japanese

been so successful? They claim that it is due to their superior technology, the economics of mass production. and the absence of strong competition oversess.

They have no foreign licensees, and although both Sony and JVC say they would welcome them none has so far appeared.

Marketing is through OEM

(original equipment manufacturer) or own-bread production for such U.S. electronics giants as RCA and Zenith and retailing chains such as Sears Roebuck. Sony markets Betamax through its extensive world network of subsidiaries while Matsushita sells units through Panasonic and Quasar outlets in the U.S. Similar marketing patterns have been developed in

Western Europe Only in Japan do both JVC and Sony have licensees. Toshiba and Sanyo have tied with Sony Belamax. although Sanyo said recently that they would make some units for their sales agree-

ment with Sears. Matsushita (Victor's parent company), Hitachi and Mitsubishi Electric manufacture under a Victor VHS license. Rut all this could change. Victor disclosed recently that it is having talks with Thorn-EMI in Britain, Thomson-

Brandt of France and AEG-Telefunken of West Germany ing projects in Europe. Each partner would hold an

equal 25 per cent share and output would be an a productby-product basis.

First on the schedule is the production of recorders at the Berlin plant of AEG-Telefunken by next summer. Eventually, video cameras will be made in Paris and video disc recorders in Britain.

Initially, JVC will export key components such as video heads and cylinders, but other parts are to be made in Europe. Assembly and final adjustments, which are

### JAPANESE TACTICS

JOHN FUJI

crucial, will be left to European technicians. Joint production enable large enough quanti-ties to be sold to make the enterprise competitive. In the past, the number of re-corders sold in each country

was not great enough to justify production. Start up costs for video recorder manufacture are high Matsushita alone has so far invested some \$350m in its three main factories in Japan. The Japanese have altogether invested about \$1.2bn.

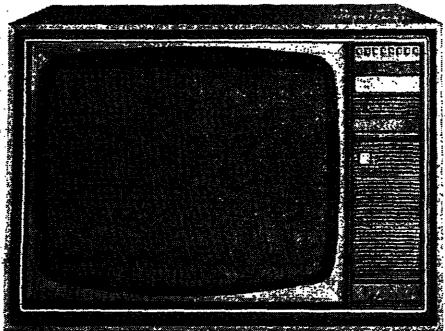
Victor has said that a joint manufacturing venture for its VHS system in North America is also possible. As for the video disc player, Victor has already proposed an internamenal manufacturing arrangement.

Victor (JVC), Matsushita Electric General Electric of the United States and Thorn-EMI in Britain have already signed an agreement to set up three VHD (very high density) foint ventures in the U.S. for the production of programmes, video-discs and recording units.

But the most recent announcement from the group said that marketing will be delayed until next April in Japan, next June in the U.S. and June or July in Europe. The reason for the delay is believed to be lack of suitable software, although the official JVC statement said that it was partly because the group had to wait until July to decide on the optimum formula for the resin base of the recording

JVC said the delay enabled all the companies in the group "to ensure the necesgroup to casure the neces-sary co-ordination of produc-tion, marketing and compati-bility and interchangeability of recorders and dises in various locations".





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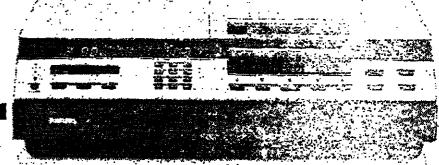
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Philips Video. Simply years ahead.

# Manufacturers fight for a share of the market

VIENNA and Nürenberg-Lang- which accounted for more than latest market survey indicates wasser in West Germany are a third of total West European that last year 1.3m recorders currently the only places in sales. Europe where video-recorders manufactured Philips and Grundig respec-

But this picture of the European video market is likely to change soon. More and more consumer electronics manufac-turers are examining the possi-bilities of starting video-recorder production in Europe. Until recently many manufacturers were selling video-recorders, but instead of pro-

ducing them most companies im-Japan.

Companies such as Telefunken, Thomson-Brandt and Saba sold Japanese recorders under their own brand name. Others, including Fischer and

Wega, imported Sony Betamax

The only digenous developand manufacture in Europe was by Philips and Grundig, which jointly developed the Video 2000 - the newest of the three competing systems in Europe.

But the rise in the value of the Yen and rapidly increasing labour costs in Japan now open new possibilities for competitive recorder manufacture in Europe. The Japanese realised that deals with European manufacturers were necessary if they were not to lose their grip on the lucrative European market.

JVC was the first Japanese company to form such a joint venture with Thorn-EMI, Thomson-Brandt and Telefunken (the consumer electronics subsidiary of AEG-Telefunken). Under the terms of the agreement, video disc recorders will be made in the UK, video cameras in France and video cassette recorders in West Germany.

The importance of West German production to JVC becomes obvious in the light of the 400.000 or so video recorders sold in Germany last year.

Recently it was made known that Blaupunkt, a Bosch subsidiary, has also started negotiations with Matsushita about rights to produce video cassette recorders. Although no plans are yet known about companies planning production of Betamax recorders, a Sony spokesman has said that this possibility should not be excluded.

Sony already has three major factories in France, West Ger-many and Britain.

But apart from the increased cost of Japanese manufactured units, other motives contribute to the need to collaborate with the Europeans rather than restrict their role to that of distributors.

Many European consumer elecmanufacturers have pressed repeatedly for measures to reduce Japanese imports. In West Germany with its tradi-tional free-trade policy, antago-nistic to any form of protecimport quotas are unlikely to be imposed.

But. Austria permits no

imports of Japanese colour television sets or recorders, thus opening its market—although small—to the Video 2000 system of Philips and Grundig. The threat of similar quotas in other European countries seems likely and co-operation with other manufacturers in Europe might offer the Japanese a long-term solution to this problem.

It is clear that the video boom is only just beginning. The market for recorders in Europe has just reached 1.5 per cent and most observers agree that the market will be saturated when the figure reaches 40 per cent. A recent ITT study forecast that VCR sales in Europe will reach 4m machines by 1986.

The importance of Europe is also emphasised by Makintosh International, the British market research' bureau, whose according to Philips.

sold in Europe, compared 800,000 in the U.S. and with 800,000 in 915,000 in Japan.

The report predicts a steady 30 per cent annual growth rate for world video markets. These figures leave plenty of scope for European manufacturers to jump on the video band-wagon.

### EUROPEAN PRODUCTION

JAN JACOB

Philips and Grundig have both pinned their hopes on the Video 2000 system. For Philips, it is the second system for VCRs it has developed.

In 1972 the company intro-duced its VCR (Video Cassette Recording) system, the first video-recorder commercially available to the public. Being a pioneer in this field brought no advantages to Philips, however. Its first recorders were unreliable, and many of them were returned to the dealers before the end of the guarantee term. By the time Philips had im-

proved the machines, the system was outdated by the Japanese VHS and Betamax systems. In 1977 Philips decided to cooperate with Grundig in the development of an advanced system, which was to give them a strong foothold in Europe.

Besides a number of Philips subsidiaries, licensees for the system already include Siemens, Körting, Metz, SRB, Bang and Olufsen, and Zanussi. Since its launch last year the Video 2000 recorders have been well received. Last year Philips and Grundig sold about 250,000 recorders, giving them a market share of 18 per cent in Europe,

Netherlands, the homelands of Philips and Grundlg, under-standably claim high market shares for the Video 2000, but in France the system has yet to be introduced.

Mr W. den Tuinder, vice-director of Philips' video divi-sion, recently emphasised that 14 per cent must be regarded as the lowest acceptable share for Philips. He said that the relatively small market share last year was due mainly to in-adequate production caused by start-up problems at the com-

pany's Vienna plant.
This factory, planned for an initial annual production of 200,000 recorders, made only 140,000 units last year. But Philips is now preparing

for large-scale production. It estimates that its Vienna factory will achieve its maximum production of 400,000 this year. Philips is also converting one of its West German factories, at Krefeld, for recorder produc-

Together with the planned output of 200,000 recorders from Grundig, Philips is hoping for a European market share of per cent this year. Eventually, if hopes to capture around half the European market with the Video 2000

The company is not limiting itself to Europe, however. itself to Europe, however. Video 2000 recorders will be sold this year in the Middle East (an extremely important market, says Philips), Africa. Australia and parts of South

To remain competitive in world markets both Philips and Grundig emphasise the importance of co-operation. For Grundig, now market leader for recorders in West Germany, co-operation was the only answer to the problems the company was facing. Grundig has had difficulties

in the past few years. Its profits . European

felt 45 per cent in the 1979-80 financial year compared with 1978-79. This was attributed to strong competition from Japanese television manufacturers and saturation of the West German colour TV market. Since the West German Government would not impose import quotas, the company had to seek other means to secure continuity.

Rationalisation, co-operation and diversification to other products, notably recorders have been the key words for Grandig, and in the video field the strategy proved successful.

Besides Philips (which owns \$2.3 per cent of the equity of the holding company that controls 76.5 per cent of the shares of Grundig) Siemens, the West German electrical and electronics glant is also interested in a financial participation in

Earlier this year it was made known that Siemens and Grundig had opened negotiaons for a 24.5 per cent participation by Slemens in West Ger-many's largest consumer electronics concern. Siemens, which was the first licensee for the Video 2000 system, re-entered the consumer market in 1978 after leaving it in the early

Although the outcome of the talks is still unknown, a Siemens participation would imply a strong consolidation of forces in the West German electronics industry and a considerable boost for the Video

2000 system. Another strong member of the Video 200 front would have been AEG-Telefunken, which announced that it planued making its own recorders instead of importing them from JVC in Japan. About the same time, AEG-Telefunken said it had not yet decided on the system it would use for its production-JVCs



10W

Sony's large-screen video being demonstrated in Regent Street, London. The company already has audio manufacturing plants in Britain, France and Germany and is among Japanese manufacturers considering video equipment production in Europe

VHS or Philips-Grundig's Video

At that time Philips claimed that its system offered the advantage to European manufac-turers that its licensees could produce much of the device themselves. It accused the Japanese of forming joint ventures only for the purpose of finding European distributors and thus avoiding protectionistic trade messure

When the first talks between JVC, AEG-Telefunken, Thorn-EMI and Thomson-Brandt took place a Philips official said: When JVC says to Telefunken that it has plans to produce recorders jointly in West Berlin, I don't believe that. The Japanese recorders are not constructed to be assembled else-

Much to the regret of Philips. however, the talks continued and the joint venture was offi- markets are not limited to JVCs VHD-with a potentially cially announced. AEG-Tele collaboration with the Video vast market and possible

its West Berlin plant to start production of VHS recorders in next May. When production begins Telefunken will use sub-assemblies from JVC, but towards the end of next year its own components will be

sets a year. When the deal with JVC was announced, the AEG-Telefunken chairman Herr there Heinz Dilrr stated that co-opera-tion with the Japanese and with In t other European companies would permit cost-competitive guaranteed quality, and advanced technology.

Thomson-Brandt, AEG-Telefunken and Thorn-EMI have demonstrated two points of vital interest to the European video industry. First, the prospects for European concerns as equip-ment suppliers for world video

Second, Japanese policy on joint video ventures with the Europeans left scope for Europe's own production of the

- Especially in markets where Video 2000 still has a small share, such as France and the The West Berlin factory will U.S., manufacturers of the VHS be able to produce over 400,000 system, have, advantages. The main advantage is the wealth of software already available there for VHS and Betamax

· In the Far East, Middle East and South America there are still valuable marketing opportimities for Enfopean manufac turers. JVC and Sony predict strong growth for their VHS and Betamax systems in world and European markets

. Another promising develop ment is the video disc system. Here, too, there are three competing systems—Philips Laser Vision, RCA's SelectaVision and

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# Advent of another growth industry

AT SOME stage in the develop- of humorous and general displays, stock control and pro ment of any new medium there interest items on to a three-hour motion-comes a significant watershed, cassette—to create "watch and an event which signals the wipe" programming—but claims change from the new-born to the to have disposed of 40.000 copies.

It is perhaps too early to say for certain, but for British videograms that moment probably occurred early in August 1981, when BBG Video sold 5,000 copies of its cassette of Royal Wedding highlights in its first week on the market (it was sette at a relatively low retail out within five days of the actual event).

It was only one of four video versions of the wedding and this is all the more remarkable as the event had been televised for all to record off-air in its entirety or as edited highlights. The Royal Wedding cassettes.

however, also mark the beginning of a move away from video as merely a vehicle for old films and porn. Just over half the 2,500 titles now available in Britain are feature films, many of doubtful quality or obsucrity but including a few hundred cluema classics. Porn has stablised at about a fifth of the total.

Along with the success of a near-instant release videogram of a public event has come the entry of television broadcasters into video. First it was Thames Television, from whom nine Thames Video cassettes have come via Thorn EMI.

Most of the programmes are ready made: David Beliamy's Botanic Man, two parts of The World at War series, the award-winning film The Naked Civil Servant, and the Royal Ballet in Swan Lake. But there are also three cassette compilations from the comedy series featur-ing Morecambe and Wise, Benny Hill and Kenny Everett, each under a "Best of ..." heading.

BBC Video has also decided to edit material specially for video release, although prob-

ments with the unions have had an influence on this decision. Sometimes this is simply a matter of combining six parts of a series into a continuous sequence, as in Mr Smith's Vegetable Garden, or it can be a collection of great moments linked by a presenter, such as Harry Curpenter's Video Book of Sport

lems of rights and royalty agree-

The most interesting is undoubtedly the BBC's Videobook of British Garden Birds: over 70 segments of birds, with their calls and David Attenborough's comments on the soundtrack (separated when two audi chan-nels are available) and teletext data on each, retrievable only by means of a decoder.

As yet there is no likelihood of vintage Tony Hancock or im-portant documentary series like The Ascent of Man, Life on Earth or Ireland turning up on

Rather less than 1 per cent of current litles have been specially prepared for video. Among these, Rewind is remarkable since it has not only tried the novel approach of putting a one-hour magazine compilation

of the first edition, distributed through Thorn TV Rentals' Video at Home scheme. second edition came out in August.

Another approach to original programmes is to seek sponsorship in order to offer the casprice. Thus, the former Nation-

# THE PROGRAMME EXPLOSION

DAVID FISHER

has produced a cassette about dog care for Pedigree Petfoods, which sells for £19.50. This may be important, at

least as far as pricing is concerned, since the current average price of a feature film on video-cassette is around £85, while even shorter non-fiction subjects typically cost £25-£30. But it is worth noting that, at the time of writing, Boots stores are offering pre-recorded cassettes in a sale at prices as low as £10.25; some Magnetic Video titles, which have list prices of £39,95, are offered at only

the market.

£17.45.

Much of the recent impetus has come from the multiple chain stores entering into agreements with companies which provide a complete packaged contract service, including the supply of cassettes, point-of-sale

At this stage of market

hooked. specialised video shops. The are now starting to appear in rental libraries from which video-tane cassettes can be borrowed, typically for £5 for three days.

Although: rental circulation by maximising the use and earning power-of each cassette, there is still enough trade for one of the leading duplication houses, Kay Video, to report a throughput of about 125,000 cassettes a month on behalf of four of the leading distributors and several

The other videogram market leaders have been establishing their own cassette copying facilities on a smaller scale but the total monthly output is believed to be around 300,000

The next stage of development will be the appearance of genuinely original videograms rather than "retreads" compilations. In the most significant move yet in this direction, Thorn EMI Video Programmes has begun a £2.3m spending programme, though this is really in readiness for its joint introduction with JVC the latter's VHD video-disc There is clearly a degree of system next summer. The flexibility in pricing and profit opportunity for cassette margins which could be used to release as well will not be greater advantage in developing missed.

Indeed, discs rather than video-tape cassettes seem to be arousing most interest among producers who might make original contributions to video. Could cassettes prove to be a mère dress rehearsul for

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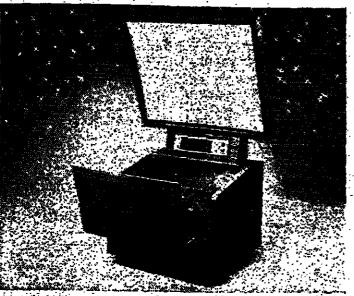
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# Growing demand for big screen systems

great that their use is restricted

While the triple-tube projec-

tor meets many of the needs

for large audiences it is too

general domestic use. The ideal

of the large, flat self-contained TV screen, not involving optical

projection, is still being sought. One system being developed employs colour phosphors as in regular cathode tubes, but the electron beam striking the face-

plate is directed by electrostatic guide, signals rather than through the holes of a shadow-

This means that the electron

gun emitting the beam can now be at the edge of the face-plate forming the screen instead of some distance behind it, as in normal tubes. The beam is

bent through 90 degrees by the index guide signals to strike the phosphor dots in the right

With the electron gun at the side the whole depth behind the

face-plate screen can be very shallow in proportion to its area and something like a flat

area and something has a hat picture-frame effect can be achieved. In the display pro-posed by RCA a depth of only about 4 inches (10 cm) would

be needed for a screen 40 inches

by 30 inches, made up of 40 modular strips 30 inches high

and 1 inch wide, each with its own electron gun and beam controls. In Japan, Sanyo is

also reported to be working on

a beam-index system for large

At the other end of the scale,

in the UK the flat cathode tube used by Sinclair in its "pocket"
TV employs the same principle

for a screen less than I inch

thick. It has also the advan-tage that the picture is viewed

from the same side as the beam striking the phosphor surface,

giving a much brighter image unimpaired by the thickness of

This combination of high brilliance and small dimensions

might well provide a new source for a very compact additive pro

jector convenient for use in the

While big-screen video is important for large audiences seated at long viewing distances

it is by no means certain that merely a larger picture will be satisfactory for home viewing.

A 40-inch image seen across the average living - room might merely leave the viewer four

times more conscious of the TV line structure and lack of

sharpness, particularly from a low-band (i.e. non-broadcast quality) video-cassette.

A bigger picture as such may

not be much of an attraction unless more detail can be seen.

for it is the incoming video signal which is the limiting

Big screens for home viewing would undoubtedly strengthen the demand for high-definition TV. Japanese developments are therefore especially interesting. Sony is developing a system

with 1,125 lines (compared with 525/NTSC in the U.S. and 625/PAL in the UK); this can show a picture of wide-screen propor-

Work by the research group of the Japanese broadcasting organisation NHK indicates that

fundamental changes in TV broadcast standards and receivers. They can only be

very long-term projects. But

with advancing digital tech-nology a high-definition video-

disc might be developed to non-

broadcast standards and could

provide large-screen presenta-

tion of outstanding quality in

The writer is technical editor

of "Screen Digest."

the home or even in the video

receivers.

tions, as in the cinema.

factor

the phosphor layer.

THERE WAS a time when every arc, must be used. In this case, science fiction description of the video signal modulates the gracious living in the future output of the powerful lamp included "floor-to-ceiling" Tri- through a complex form of light Vid entertainment at the press valve, as in the Swiss-made

f a button. Eidophor and the General Akhough we are still some Electric (USA) PJ5000 projecway short of this, the increasing tors. But the complexity and use of video for shows to larger cost of such equipment is so audiences necessitates bigger pictures, and in today's con- to special occasions with mass ference centres big TV screen audiences. presentation, rather than multiple monitors, is required to take its place alongside film, slide and overhead projectors.

For many industrial applications a large VDU (visual display unit) for data and graphics is essential and may be linked directly to computer-generated information. The video theatre, in which tape takes the place of film, is not yet technically equal to the cinema, but in smaller entertainment and promotional

PROJECTION VIDEO

BERNARD HOPPE

uses big-screen video will be-Big pictures require a different technology: the cathods ray tube in the normal TV receiver, with an electron gun at one end and a phosphor faceplate at the other, must be almost as deep from front to back as it is wide. Anything more than about 22 inches. (55cm) wide becomes inconveniently bulky, so bigger cathode tubes of the present form are not to be expected.

The current practical solution is projection video, using a lens to throw an enlarged image of the TV picture onto an external screen. In its simplest form the source can be a small cathode tube with an extremely bright picture. This is satisfactory for monochrome presentation, as for computer data.

But for colour the brightness of the red, green and blue phosphors in the conventional shadow mask tube is limited and such direct projection is suitable only for fairly small pictures viewed in a darkened

The most widely adopted system for colour now makes use of three separate small cathode tubes for the component red, green and blue, each tube with its own lens, to project the three images superimposed on the screen. The colour of each beam is governed by trans-parent filters, so high-brightness white phosphors can be used in each tube instead of the less efficient colour phosphors. Large aperture optics collect.

as much light as possible from each tube, and by electronic controls the position of each image is lined up for exact registration when superimposed on the screen. The picture is free from the dot structure which makes up the normal TV image. (due to the shadow mask) and the combination in additive colour provides much additive colour provides much more light than a single source. But for all this the intrinsic brilliance is not great and to obtain the brightest possible picture most video projectors are used with a high-gain directional screen having a metallised surface curved to concentrate the reflected light back towards the audience. In a lighted conference hall the results are satisfactory with such screens up to about 60 ins (150 cm) wide and somewhat larger still in a darkened audi-

an optimum picture width of about 55 inches (140 cm) with a 1,500-line image would provide a really striking advance in the subjective quality of viewing. Such advances would require Where space is limited the cabinet housing the triple-lens projector can also carry the screen mounted on top, the pro-jected beams being reflected by way of a large built in mirror to increase the distance of the "throw" (and thus the screen size). A range of models is now available at prices ranging

from about £2,000 to £6,000. For very much larger pictures still, up to 30 er 40 ft in width. even cathode tubes using the additive system are inadequate and a separate very powerful light source, such as a Kenon

VHS and Betamax did video recorders start to gain a real foothold in the consumer Purchases or rentals have since at least doubled each year

in Britain with over one million units believed to be in domestic use. Video has put new life into consumer electronics retailing across a wide range of outlets.

Yet there is no video hardware manufacturing in Britain or the United States, and only two companies — Philips and Grundig — in Continental European and American supply with an estimated 85 per cent shared by 10 manufacturing

Judging consumer preferences is difficult because demand exceeds supply. Units go into the shops and out again. But this is one area where Britain can claim a lead: its video recorder usage is the highest in the world. Sony's vision products co-ordinator, Mr David Hamid, attributes this partly to media publicity and partly to the British public's love of "the Box."

do with the consumer electronics retail and rental trade. Only in Britain can home video equipment be bought from a network of small independent retailers and at least one rental shop to be found in almost every High Street.
Thorn-EMI (which

ONLY WHEN the Japanese entered the market in 1977 with broadcast and Focus) Derwent have more than 1,000 outlets. To this must be added Thorn's Ferguson units, all supplied by the Victor Corporation (JVC) in Japan.

Video recorder users are now beginning to rationalise their needs. Once the sorcerers of consumer electronics, the video equipment manufacturers are heing forced to direct their efforts away from high techno-logy towards the customers'

convenience and lower cost.

Although video is not yet a mass market product in the true sense—it is safe to say that the mass market is just around the corner-within the next year or -for the right product.

Increasingly, consumers want all the facilities they are likely retailers are saying that women are more important as home video users than was at first realised. They prefer the smooth touch-action controls of the advanced machines, but on an attractively styled and priced product. According to Sony, still-

frame and several other manipulative play functions are not used by most video consumers. But it could have as much to Picture search—the Sony innovation which amounts to highspeed viewing while spooling tape—need not be in colour; and a high proportion of programmable timers are rarely used beyond a single setting. These conclusions were drawn from a nationwide sur-

Thorn-EMI (which owns vey of C7 users. The result was Radio Rentals, DER, Multi- the simpler low-cost C5, re-

A mass market 'just around the corner'

Other manufacturers, like VHS's Hitachi and Sharp together with Betamax's Toshiba, have recognised the

CONSUMER REACTION RICHARD DEAN

need for simpler machines to feed the lower and bigger end

Only recently, the VHS system inventors JVC launched such a product to supersede the vast collection of "old-fashioned" toggle - switch machines under its own or the supersede the switch machines under its own or the superseder. other brands which dominate the world's VHS equipment. Like its modern budget market contemporaries. the new contemporaries. the new HR7200 will sell for about £550

Relying heavily on its re-search and stripping away superfluous electronics, Sony has managed to undercut this figure by some £100 through discount sales. Only the oldstyle mechanical Sanyo Betamax can compete with this, at £399 or even less. It is currently contributing about 5 per cent to Betamax's ascending market share of 30 per cent or

According to a recent report

year, nearly 10 per cent down £25m last year, with double that on 1979 estimates. With the expected by the end of this Philips-Grundig Video 2000 year. (four hours on each side) co-development now in regular supply, market shares for VHS and Beta are bound to slip, though VHS, with a more diverse brand loyalty, is likely

to suffer most. Video 2000, in particular Grundig's advanced Super model, has been well received by the trade, and initial consumer response shows a favour-for five days, is a key factor for able reaction to the flip-over this type of "software," which cassette.

Both Philips and Grundig are still pursuing a performance peak for their design. Grundig is expected to unveil a stereo machine, to interface with stereo broadcasting in West Germany, at this year's Berlin Funkaustellung, and may intro-duce its auto-reverse model ming. which loses only one second of The a programme at the switchover

Philips has its own up-market machine for introduction this as the omni-present fear of Christmas, with "noiseless" piracy, negotiation of territorial of the future mass market. Pre-recorded video tapes are

booming and may ultimately offer the biggest crock of mount and Universal, trading using parts imposite of the spite the tendency through CIC in Britain, have Japan.

to "timeshift" broadcast tele-added a royalty premium to soft. The writer is vision in most homes with ware prices, after which the

ceived with an enthusiasm by Euromomitor, the VHS share video. According to Euro-dealer is free to rent or re-sel bordering on the absurd across has dwindled to a projected 60 monstor, this secretive sector of as he wishes. the trade and in the video trade per cent by the end of this the market generated some United Artists rent on a

The new industry offers fresh opportunities to programme producers, with presentation under the control of the television viewer for the first time. guilty of not filling in the But at present the tape inven-appropriate rental forms. tories are dominated by re-

has a limited repeat viewing

Meanwhile, Catalyst Productions is offering a magazine-style range of "watch-and-wipe" tapes, sponsored by Thorn's Video At Home software distribution, and there are other areas of imaginative program-The scope is vast as BBC

Enterprises' launch of "Video-book" tapes acknowledges. But there will be difficulties, such picture search and other video rights with unions (partifeatures. It will be interesting cularly on existing material to see how the two European commissioned for another companies interpret the needs medium), and the monitoring of royalty returns on rented material.

The film companies Para-

return voucher (through Intervision in the UK with a pre-credits warning and reward notice recorded on each copy. This promises a free blan cassette to the consumer wh exposes a dealer believed to b

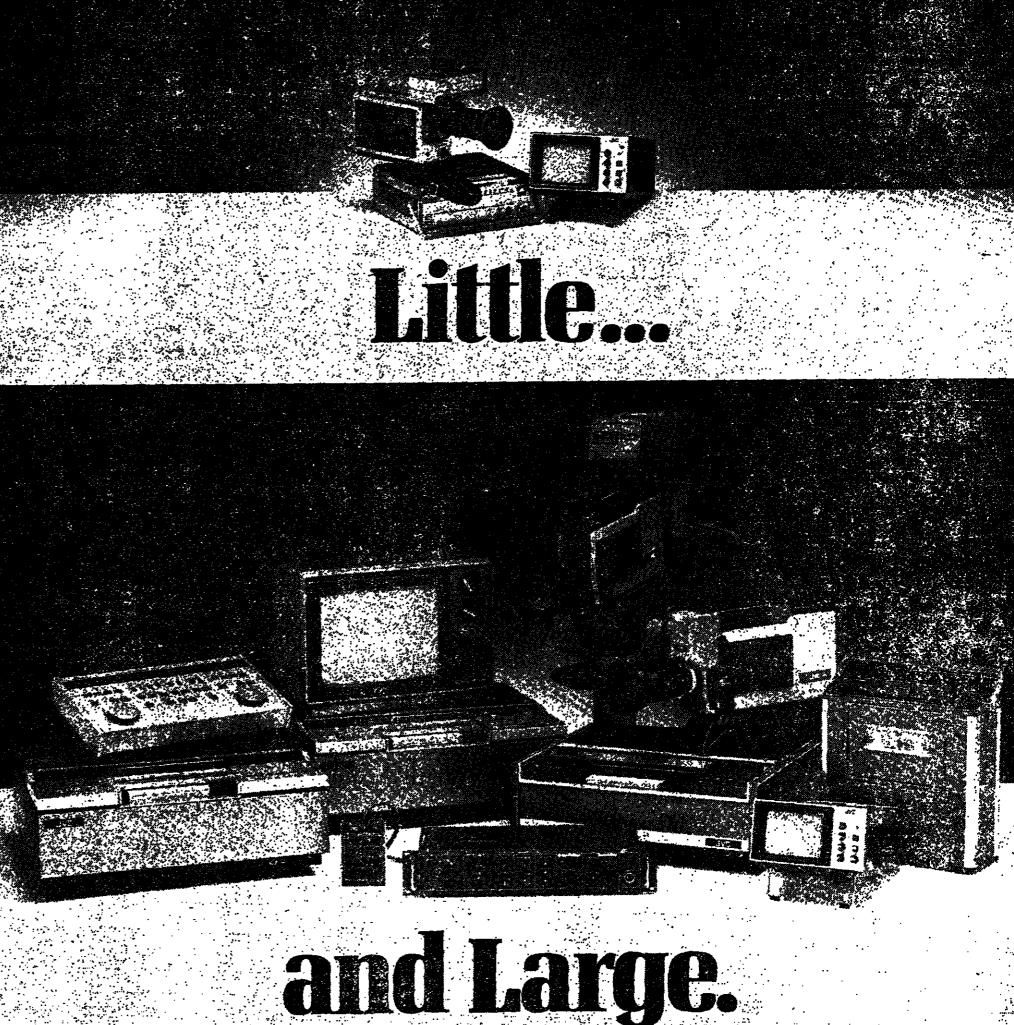
On the other hand, Magneti cycled features from the film video (a wholly-owned subsidict companies, all of which are now committed to the video medium.

Tape rental, at about £5 to £6 for five days, is a key factor for exploited by the dealer.

Whatever the problems of th video software market, the tap companies are doing very well out of it. Britons are consumin prerecorded software units pe video user faster than even the Americans, despite the large range of American titles. A wider range of time shiftin sources is the apparent reason British duplicating houses ar doing a roaring trade in English and some Continenta tape copying, while the American-owned 3M-Scotch manufac tures home video

Gorseinon, South Wales. But the 3M-Scotch enterpris is the only video manufacturin in Britain at present. Thorr EMI which recently opened it own REW duplication facilit in Wandsworth, London, it expected to begin making vide recorders in Britain, initiallusing parts imported from

"Television and Home Video.



What's the connection between the modest installation at the top and those impressive items of equipment below? First, technology. The state-of-the-

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Centres to advise and supply. Then Supershield. A two-year guarantee that only Bell & Howell have

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# VIDEO VI

# Impressive technical advances in industrial video systems

wont to dismiss the entire non-broadcast video industry as

But the mouse is now roaring, and though practitioners may still apply the epithet to particular operators, no one vould belittle a booming industry whose technical and programming standards have moved so much closer to those of broadcasting.

Indeed, the gap between broadcast and non-broadcast practice has been more than bridged. There is now an overlap in standards and equipment, thanks to the substantial reduction in the size and cost of highquality video equipment and the rising expectations of nonbroadcasting producers.

But, more impressively, the mouse has proved much nimbler in adopting new technology and its attendant working practices than the big cats of broadcasting, and it often seems to be leading the way.

While the current domestic video boom offers broadcasters a new market for old pro--and for their creative talents—the advent of the first cheap non-broadcast videotape recorders some years ago, and even more the first industrial cassette machines, brought them substantial but less obvious benefit-easier access to their

own programmes.

The advent of videotape made TV a less ephemeral medium. But when the only access to that recorded material was through booking expensive time on one of the scarce, broadcastquality VTRs handling 2-inch tape, there was limited scope for a programme-maker to see his work before editing or to show it to channel bosses, critics, potential buyers or com-It was rather as though a film

The arrival of smaller video machines in the executive suites and then in production offices made access much easier, allowing, for instance, a director to mull over his material care-

fully before editing. That, combined with more advanced computer editing systems, made it more feasible to attempt more complex postproduction on tape.

But industrial video recorders had a much more obvious impact when U.S. television engineers, seeking economic ways to meet journalistic demands for more immediate news coverage, seized on the portable U-matic recorder, designed for industrial use, and pressed it into service alongside specially developed portable cameras.

news-gathering Electronic (ENG) was thus born and quickly adopted by the American TV news networks.

ENG's acceptance in British broadcasting has been much slower, thanks to industrial disputes and also doubts about technical standards: apart from BBC and ITN network news, only half the ITV companies yet have an agreement.

As for those standards, Sony has responded to the use of its industrial equipment by moving energetically into broadcast equipment, and redesigning its U-matic system to produce a new "high band" format, offering higher broadcast

quality from the same cassettes. While broadcasters use this equipment to shoot brief news stories, many video operations ("in-house" industrial systems like those of Barclays Bank or Spafax, or video companies like Infovision servicing industrial clients) have long deployed the

BROADCASTERS WERE once director had to book the Odeon technology of a single camera wont to dismiss the entire non-in Leicester Square to look at and cassette recorder to shoot whole programmes.

This practice is modelled not broadcast television's traditional multi-camera techniques, but the single-camera method of film-making.

The film methods preserves advantages of setting each shot individually while saving all the costs of film stock (which cannot be erased

### TECHNICAL INFLUENCE ON BROADCASTING

CHRISTOPHER GRIFFIN-BEALE

like tape) and processing to offset against the investment in video editing systems.

Although broadcasters will only accept "high-band" cassettes for news, they have recognised the notion of "electronic field production " (EFP) as a higher-quality parallel with ENG for other programmes, relying instead on portable VTRs with 1 inch tape. While these machines may be slightly heavier, and their editing backfilm-like approach.

operations, starting from scratch similar shows).

base been free to invest as they

Both kinds of material rely have been free to invest as they wanted; but broadcasters cannot write off their heavy investfactory-like ment in large factory-like studios designed for multi-camera operation or revise their crewing arrangements swiftly.

Freed from bricks and mortar, outside broadcast (OB) operations can be more adjusted to new techniques,

though most broadcasters' light-weight units still seem like scaled-down versious of the larger equipment, lacking the mobility of film assists or existing single-camera video units in industrial video or broadcastquality facilities.

In a recent article supporting the creative benefits of shooting on film rather than with multiple cameras in the studio, the playwright and director David Hare delivered a cogent argument for single-camera operation, rather than celluloid as such even if he underestimated what can be achieved with traditional methods.

Although all this might not matter much to the viewer, TV administrators cannot simply write off such pleading as artistic self-indulgence. The creative compromises of multicamera working may be a small price to pay for the economic advantages of producing so much TV in the existing way.

But the price seems less economic when the finished product must bear repeated view ings by customers who have paid hard cash for a videogram.

It is significant that the two areas where single-camera techniques have been most eargerly adopted for broadcast use have up more expensive, this cannot been advertising commercials explain the broadcasters' relative reluctance to adopt this accompaniments commissioned by record companies for show-Most non-broadcast video ing on "Top of the Pops" and

> on facilities companies -whose survival depends upon remaining in the forefront of technological advance — and both can evade the strictest technical on originating formats which broadcasters apply to programming.

But the clients who commission this material share another

crucial factor with the producers of original video-cassette programme companies like OB Video to use just these techniques.

All these clients are directly concerned with the "bottom line" on a particular show in a way that broadcasters need not be; they are concerned about the quality of the product, but also the cost of that quality, and they clearly prefer these new

Many independent producers, collectively assured a bigger slice of the action on Channel 4, may well make the same judgement and deploy the same techniques as in the new channel's first major commissio Primetime's extended version of the RSC production of "Nicholas

The director, Jim Goddard. used his two electronic cameras as though he were working on film: each camera's output was taped independently and all editing decisions were deferred until later.

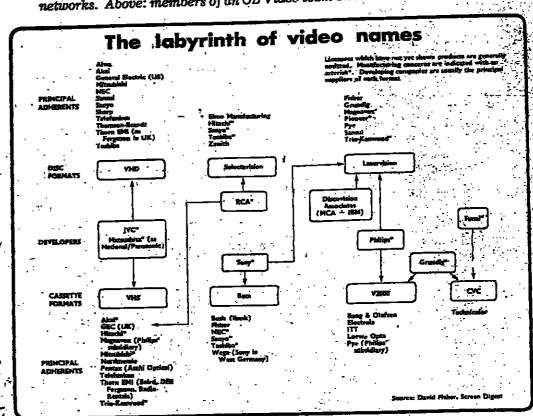
Broadcasting engineers' pre-servation of technical standards is not simply rigid conservatism; the TV picture must be able to withstand all the degradations of national distribution, and the relaxed approach of a few video operators might simply betray a lack of professionalism.

Broadcasters can still be justifiably proud of the excellent material they produce economically by conventional methods. But they must increasingly consider the advantages of the single-camera video techniques that non-broadcast operators have long been free to discover: the creative advantages of film at lower costs.

Christopher Griffin-Beale is deputy editor of the weekly trade paper Broadcast.



Electronic news-gathering has Been quickly adopted by the American TV news networks. Above: members of an OB Video team on location in Switzerland



# Who makes the right tape product for today's video industry? Ampex!

Ampex one-inch tape, for Type B or Type C helical recorders. Ampex video cassettes, for Beta, VHS and U-matic systems. In London, Stockholm, Berlin, Milan everywhere, Ampex is the choice of the professionals.



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# Publishers overcoming earlier suspicions

means of distributing televsion programmes has been widely escribed within the embryonic industry as an extension of print publishing rather than by its more obvious affinity with broadcasting or the film indus-

An early American trade newsletter was called The Video Publisher and in 1971 some of the big names in European print publishing, such as Axel Springer and Hachette, were aiready active in trying to apply the primitive technology of that time towards creating a mass market for over-the-counter pro-

It was the publishing fraternity which made up a fair proportion of the audiences for the spate of conferences about some vague future possibilties offered by the "video revolution."

Inevitably it was the publishers who were most disillusioned by the failure of that future to materialise on cue. By 1974 the Thomson Organisation and Sweden's Esselte group were pulling out of the high-powered and exclusive, if somewhat ill-defined, International Publishers' Audiovisual Associa-tion, set up to exchange video information. It has since faded away altogether.

Only now that film distributors' video subsidiaries are beginning to demonstrate that a market exists for videograms are publishers overcoming their earlier suspicions — apart from those who kept their interests alive by publishing trade and consumer video magazines. A typical news stand in Britain could have seven or eight glossy monthlies on sale.

Circumstances have changed, of course. Not only are there a million video recorders in the UK — and 10m in the whole world — but videotex and other new "publishing" formats now exist. It has probably been this range of technological options which has caused publishers to reassess their attitudes to video. Several newspaper companies have already gone into videotex as it provides the closest link with their traditional activities as publishers of rapidly evolv-

News also forms the basis of one of the video-cassette programmes to have been made with newspaper backing: This Year 1980 has been issued as the tentative start of an annual series of news reviews in a joint venture by the Sunday Times and Independent Television News.

ing news stories and reference information.

The most sizable Press venture into video so far is IPC's MirrorVision. IPC has been involved in video distribu-tion for some time, mainly by buying up films predominantis on sports and motor racing MirrorVision was set up a year ago to harness the creative talents of Daily Mirror writers like Keith Waterhouse and Marjorie Proops in presenting

Press remained fixed on broadcasting, Many independent local radio stations have newspaper groups among their shareholders, but commercial television remains the prime attraction world-wide. Rupert Murdoch's News Group has television interests in three Continents, for example.

In Britain, Pearson Longman, proprietor of the Financial

### ROW PUBLISHERS ARE REACTING

DAVID FISHER

Press group, has recently acquired a substantial stake in Yorkshire Television and has plans for more electronic media involvement in North America.

Generally the Press in the United States has paid more attention to videotex than videograms, but it can be only a matter of time before the larger conglomerates go into cassettes and discs. Yet Time Inc. recently decided to concentrate on providing cable television and videotex data services, despite having been active in non-fiction film pro-duction and distribution for some years. Nonetheless, broadcasting and cable could be a prelude to wider interests

in all new media. If newspaper and periodical publishers are cautious, how-ever, book publishers must be either scared of video or. which is more likely, generally unable to find the resources for a sideways move into an equally nsky market

Contacts with book pub-lishers in various branches of the trade indicate a growing interest in video possibilities, discs, but this has yet to turn into the sort of enthusiasm that will stimulate action. The only company to have far is Mitchell Beazley, now a subsidiary of American Express, which has substantial U.S. interests in exploring new electronic media such as TV

mail order and cashless trans-

FOR OVER a decade the use video versions of their current actions over cable or telephone

James Mitchell remains head of the publishing company he founded and has plans for video reference books and encyclopaedias making use initially of print artwork but ultimately into going origination.

Collins, too, had similar plans to exploit its successful list of dictionaries and books, even forming a working relationship with EMI in 1977 (before the latter's absorption into Thorn EMI); but nothing

has come of this. A growing number of pub lishing houses are now owned by media conglomerates. The Granada group includes a flourishing general publishing concern, London Weekend Television owns Hutchinson, and Xerox—with its own video disc system under development-owns the specialist non-fiction publisher R R. Bowker (with 2 strong cataloguing side), for

This multi-media approach among the potential market leaders may take the edge off one hope for video: that the publishers' traditionally catholic, eclectic interests might lead video being treated with the flexibility of print, putting con-tent before form and thus not insisting, for example, that all programmes must be in mul-

tiples of 30 minutes. But if the diversification into video is taking place because of fears for the future of print and a possible contraction of book and newspaper sales, then the atmosphere may not encourage the innovative, imaginative programming which is necessary to sustain and build the videogram market.

Whether video allows for publishing approach denied by broadcasting and films largety depends on the outlook and experience of the videogram maker. Audio recordings have not so far been regarded a publications despite the variety of subjects and treatments which radio has shown to be possible.

The recent appearance of talking book " cassettes in High Street stores may indicate the beginnings of a change in the general view of publishing expression in video.





At Sony we've always been proud of the way our design engineers have kept coming up with new ideas in the video field.

It happens with almost monotonous regularity,

really. Perhaps it's habit forming.

rcoming

CIOIS

In 1969 for example they invented U-matic, recognised within a few years as the world standard in professional video cassette systems.

A measure of that worldwide recognition is the fact that every manufacturer of professional video cassette recorders has adopted the Sony U-matic system. The system even won an Emmy award for services to television.

But, flattered though they were, our ideas men refused to rest on their laurels.

On the contrary, they recently came up with a

machine that could well be the future record and playback facility all others are judged against. The BVU 820P.

There simply isn't another machine quite like it But that's just one example of innovations to video technology made by Sony.

On top of that we could mention the Trinitron television tube, still unbeatable for picture quality.

Or the first magnetic video-tape recording system. Or the world's first video cassette.

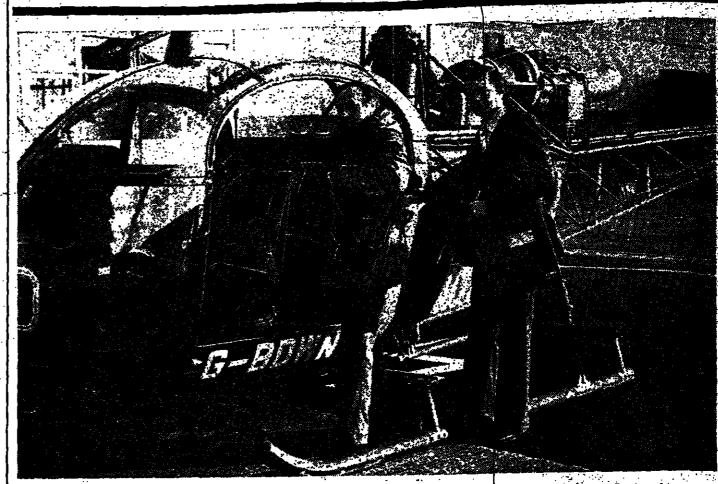
Or the first ceiling mounted video projector in the country.

And then there's ... well, we could go on and on with our breakthroughs.

Come to think of it, SOP we undoubtedly will. We've thought of







A video camera team prepares to film the Shell Centre in London from the air, using electronic news gathering equipment.

# Putting the message across to employees

RESEARCH has shown that the one factor essential to any form of internal audio-visual communication is relevance. It must be relevant to the staff, to the business, and to the future of both.

But time spent, in moderaion, in looking back on the past is not altogether wasted, for the most common use of video in internal communication is to interpret and explain the annual report; and this is the use that tempts many organisations to put a toe in the video

water. But the employee naturally wants to know how it will affect his future in terms that he will understand.

It is not too expensive an operation: for £6,000, plus the mevitable VAT, the production company World Wide Pictures made for Courage Central, a division of the Imperial Group, first, it was based on the com- it has no recognisable houseall 1,700 employees in audience groups of 35 to 60 on equipment

The producers adopted the formula found to work best: little more than a quarter of the orogramme was devoted to the results; the rest told the made centrally (including 60 employees how they would be for the tanker fleet) they are looking and not retrospective. Now video is being used to

ell some of the staff what other staff are doing—and why. Sometimes this can be a large-scale operation. The National West-

INTERNAL COMMUNICATIONS KENNETH MYER

minster Bank is investing £2m in a video communications network for its 3,200 UK branches with the object of abolishing paper, the medium of informa-

It consists of 1,000 Sony Umatic video-cassette players and TV monitors, of which 100 will viewdata capability. Another £1m will be spent annually on programmes, the first eight of which are completed

"Clear Off" is one of them. Explaining what happens to a cheque once it has left a Nat-West branch, its purpose is to increase the number of cheques processed correctly by branch

With Michael Rodd of the BBC's "Tomorrow's World" BBC's programme as presenter and the comedian Kenney Everett to enliven the proceedings, the total cost was £31,600. Some of this money is spread over more than one programme: £3,000 was spent on titles and the rest on the studio set, for instance.

But Christopher Hope, of World Wide, the production company, says that the most important Item is the essential research done in collaboration with the client before any proramme is started. In this case it cost £2,000.

A similar informative video-tape, "Care For A Smoke," was produced by Miustra to explain the importance of the research and devicopment department of a large tobacco company. North Thames Gas, which has 12 Sony video-cassette players in its region, has used them to show two BG productions, about the Monopolies Commission report on the retailing of domestic gas appliances, to all employees over a three-week period.

British Petroleum has a fulltime TV manager on its staff, but all other staff, equipment and studio space are hired as which husbands and wives may and when required. BP claims also attend. The studio also

Sony U-Matic videocassette players are usually preferred for static viewing, while VHS machines, being more portable, are rented for showing programmes at locations which do warrant a permanent installation.

Radio Rentals Contracts, part of the Thorn-EMI group, charges about £150 a year for the hire and servicing of one player but less, of course, for quantity British Olivetti has 33 players

in sales branches, mainly for four- or five-minute pro-grammes about products. But it also makes about six programmes a year on such incen-tives for salesmen as trips to Greece. It usually has little difficulty in obtaining inserts of the desired location from shots taken with a portable video from the norm it is not fen camera by an employee who has been there

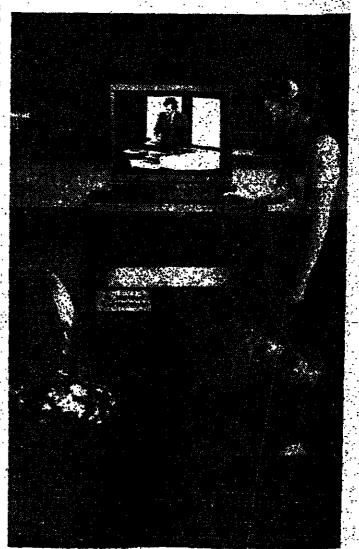
Although a video programme about the annual report is for about pension schemes are many companies their first available for hire or purchs attempt at using the medium

staff. But here the videotage must be designed to supple ment and not replace a comprehensive printed booklet on the scheme and every showing should be supported by speaker with special knowledge .to auswer, questions.

Beryl Stevens, of Pension Communications, believes tha a cartoon programme is best for putting over the idea behind scheme, while its benefits ar best explained by putting rea people on the screen. programmes are rarely big budget affairs; quite often the start as still pictures and en up as a videotape.

Most pension schemes diffi in detail: the pension fractial commutation, and dependars benefits all vary, but wire there is not much variable necessary to make a sprial programme:

Two general programes A Plain Man's Guide and for others it is to introduce "The Role Of The Trust."



A video cassette player and TV ionitor being National Wesinster demonstrated to employees. The bank is setting up national video network to communicate better rik its many branches

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of £50,000. Training and point-of-sale tapes are among the output

pany's annual report Entitled style. It can achieve any effect "Outlook '81," it was shown to it wants and can compete with broadcast television "on equal terms. BP's award-winning quarterly

video house magazine, Pipeline, does have a certain continuity: Brian Redhead presents each issue. Although 110 copies are It was forward- often duplicated locally overseas. The company also shows it from 11.30 am to 2.30 pm at

their London headquarters for a fortnight and finds that 35 per cent of the staff attend vokuntarily in their kunch hour. This audience, predominantly male, is from junior to middle management. When the Queen inaugurated

the new oil terminal at Sullom Voe, which obviously could not be seen by everyone, BP took two video cameras and editing equipment to the site. A programme about the opening was edited that afternoon and shown to the 5,000 workers

there that evening, which could

never have been done with film.

Later, all other BP employees had an opportunity to see the Shell International has a different approach. It employs a TV executive but it also has a 1,000 so ft studio with four colour cameras, other electronic

equipment valued at £250,000, and full-time staff of four. The company has made a "commercial" for the studio and held an open day within the organisation. Now it plans to make video available to

all staffs. If, say, the post-room staff feel that a video programme would help to improve their work, then one can be made, paid for from the TV manager's

budget. The Shell International studio is also used by Shell UK, which last year made about a dozen productions costing from £2,500 to £5,000. In addition about 30 monitors will be placed in strategic positions throughout the Shell Centre building in London for a programme called

'Shellfax.' This is produced using an electronic character generator to display "pages" of text, with inputs from the printed ho journal and from staff with "for sale and wanted" liems.

Rentokil, the preservative and companý, relatively small, has its own two-camera studio which has an annual operating budget of £50,000 including depreciation and overheads. There are an audio-visual manager and two assistants. The video house magazine Routokii Roundahout has appeared four times a year hour-longer than most

The company has 42 offices in the UK with play-back equinment which shows the tapes at meetings or at social evenings that this has the adventage that makes training and point of sale A george of the



Former speedway rider Mike Coombs using video equipment, supplied by Radio Rental Contracts, as an aid in his technical training classes in motor cycle maintenance at the Slough headquarters of Kawasaki

# Powerful and versatile aid in staff training

of the 1960s it is apparent that schools. while the changes expected in education 20 years ago were London Education Authority often at odds with the environment, technology outside the different from when it was educational system is now leaping ahead.

For example, it is reasonable to assume that with the current boom in home video, many more parents have more appreciation of its role in their children's education than they might have had of language laboratories or similar educational tools in the 1960s.

Then the major educational video activities were the closedcircuit television (CCTV) move-ment, mainly in higher education, and a limited number of Local Education Authority cable systems. Video production and distribution from a central studio around a school or college or a group of them was seen to be a practical proposition and also an effective instrument of education.

The limited range of equipment then available made studio production and the imitation of professional broadcasters the accepted style. The way in which both these two activities evolved throws light on the problems that video encountered and on how the increasing flexibility of its tech-nology allowed some systems to adapt to changing circumstances

vised lecture—and learnt that there was "no significant difference" from conventional "in the flesh" methods.

Many producers recognised that to do their job satisfactorily they required the allegiance, support and confidence of the teaching staff, and they ran production courses to encourage teachers involvement and to develop a realistic approach to television. All of them found

that television is expensive.

The more successful units evolved into integrated services meeting the variety of needs of their academics; the studio was supplemented by more portable video equipment, and the materials became better organ-ised and individualised.

Such diversification essential not only for educational and administrative acceptability but necessary for their survival, as the solvent 1960s gave way to the more stringent 1970s.

few local éducation authorities' cable services fol-lowed different paths—some to extinction, like the Glasgow

established in 1968. In its early days its output, black-and-white programmes made by teachers

> APPLICATIONS IN TRAINING

> > CHRISTIE QUINN

for teachers to met clearlydefined local educational needs. met with criticism; and there evidence that many schools remained loyal to the BBC and ITV educational programmes.

ILEA decided that the cost of cable transmission was prohibitive, a more flexible colour system based on video cassette distribution was introduced. Many schools opted to buy the subsidised video cassette and television set parkage which formed the basis of the new

In the ILEA system videotributed to schools on a low- graphically remote areas. The expensive CCTV units cost loan basis. The cassettes The evaluation of the project established in universities and are also sold elsewhere in emphasised the need for careful polytechnics had varying Britain and overseas. The casplanning and administrative degrees of success. Some settes can be used in a hall with control, total support from the employed the worst kind of video projection, in a classroom television teaching—the tele with monitors, as part of a video with monitors, as part of a video language laboratory, or in a Centre library for individual use.

Both users and producers enjoy greater freedom of con-tent, style and duration of programme material—the system also permits a move to new pro-duction techniques and a wider range of uses than the conventional 20-25 minute broadcast

television programme Changing television use pat-terns allow closed systems such as the ILEA's to do what the broadcasting authorities cannot, for although an ever-increasing number of schools do record educational programmes off-air producers cannot assume that they are all doing so and then create acceptable programmes.

It is a difficulty which also faces the Open University, founded in 1969 in collaboration with the BBC. Their dilemma is that while cassette distribu-tion is an obvious answer to the shortage of air time, and the need for user-controlled pro-grammes the system's ideology remains firmly in support of home based students. It is still

IF THE innovative climate of cable system set up in 1965 to unrealistic to expect most the 1980s is compared with that serve more than 350 local students to have a video recorder at home.

Next year the Open University will start a trial video re-play system in study centres, but the more desirable home-based solution, perhaps using video discs, will have to wait for some

Video-cassette recorders are revolutionising the distribution and use of schools television materials, releasing teachers from time constraints, limited channels, and centralised programmes, and solving many of the problems that have dogged ETV systems both in Britain

While the medium has great potential, however, there are many practical difficulties, parti-cularly in Third World countries, where poor maintenance, technically inexperienced teachers, inadequate administra-But its appeal slowly in- tive support and other creased, and when in 1979 the can hinder its success. tive support and other factors

The recently inaugurated Malaysian video-cassette project demonstrates some of these problems. Funded by a Japanese aid programme, the Educational Media Šervice placed video recorders in selected Malaysian schools both for the distribution of key programmes, such as language materials for primary schools and science and mathe cassettes of colour programmes matics for secondary schools produced in the studio are dis-

decision makers, and, not least, that low utilisation of ETV can often be attributed to teachers failing to see any value in the programmes available to them. Now the value of video is

seen not just as a distribution medium but also, because of its more flexible production poten-tial, as a means of by-passing the more expensive studio complex. Some county educa-tion authorities, such as Surrey with its County Media Resource Centre, are making "television programme" productions with a portable single camera system to give a local dimension to the programmes at a cost comparable with other audio-visual methods.

An even more localised use of video is programme production within the schools. Once a school has acquired a recorder it is natural to wish to exploit Its full capabilities by purchasing a video camera. At one level it is a solution to the problem of software shortage and as such has special value in areas such as language teaching. But video production in school can also be exploited in other ways, as a means of skills analysis

The Schools Council project "Communication and Social Skills" is an example of the kind of educational benefit to be de rived from giving children the use of video, to help develop to their communications skills, media awareness and visual literacy and also their co-operative and decision-making talents.

Unfortunately, such activities are still marginal, and although the communications environ-ment is increasingly dominated by the electronic media educa tion is still dominated by readmg and written work.

The conventional curriculum emphasises the teaching of grammar, structure, apprecia tion and use of written English, but little attention is given to activities intended to develop a critical approach to television or to giving children opportunities to express themselves through the medium.

In these days of low education capitation allowances and demands for core currienta it is a question of priorities. It is easy to identify a wide range of roles for video in education both to extend and to replace raditional tools.

Although teachers could per-haps use video more often the barriers which prevent them from doing so - economic, administrative, and personal are formidable. But it will be regrettable if educational services in Britain and overseas are not enabled to reap the full benefits of video as the avail-able technology reaches still higher levels of efficiency and

The writer is editor of "Trainin

# Full benefits yet to be realised

RESEARCH HAS shown that their non-working hours. For yet to make an impact in employees like video training this reason television stars such Britain there have been tenta-

coming the primary audio-visual medium for industrial and commercial training is indicated by recent news of the extensive acquisition of video equipment by the National Westminster Bank (installations worth £2m) and by British Home Stores for instalthroughout the UK.

Typical of the growing enthusiasm is the decision by

Marks and Spencer to change over to video as its main audio-visual medium for staff training, replacing the previous mix of tape, slides and film. Using video equipment, the com-panies trainers found they could organise sessions quickly and easily—at short notice if

Many of Marks and Spencer's existing film and tape/slide programmes have been transferred to video, and its latest production, Personal Safety, a 12-minute video-cassette about mugging, was originated on

Rather than making a heavy investment in outright pur-chase, many companies (includ-ing Marks and Spencer and British Home Stores) have agreed a video equipment rental system with Granada TV Rental, Radio Rentals and other High Street or specialist firms—perhaps a wise move at a time of rapid technological advances.

Not only the larger companies are making use of rental schemes. In association with Granada TV Rental, a video club for hairdressers, TG Video. has put together a package of hardware and software. A 20-in colour TV receiver and a video recorder are available together with a choice of one-hour training tapes, enabling employers to train their staff in hairdressing techniques and latest styles

For the small company wishing to experiment with video in training, short-term rental deals of three days, extendable on a daily basis, for a portable colourvideo camera and lightweight recorder are now widely

Television viewing at home is associated with entertainment and for many people it is the information and education in

put across a training message.

As well as seeing favourite TV personalities in a training context, there is also the novelty of seeing oneself on the television screen. Videotaped rôle-playing exercises reveal to participants aspects of their behaviour and interaction with others which no other medium could capture in such a com-bination of truth and imme-

Selfridges uses just such a technique in its induction train-

CHANGEOVER IN EDUCATION

SUSIE RODWELL

ing of new sales staff, regarding it as a good means of reinforcing theoretical instruction.

The Electricity Council, since the installation last year of its 450 sq ft colour television studio at the Horseley Towers training centre near Guildford, has made extensive use of videotaped role-playing exercises in its industrial relations training. To obtain effective coverage of rôle-playing situations, the Council has two studio colour cameras and a colour portable camera.

This particular use of video has obvious advantages in training in communication skills. Organisations such as the Industrial Society and the British Institute of Management feature closed-circuit television in their training courses for managers or others who need to give talks or make presenta-Skills of interviewing and

being interviewed (perhaps by media reporters) are other behavioural training areas in which CCTV has become an in- five or six minutes' duration, valuable aid, picking up not can be retrieved at random and ins R.C.A. quad videotape only voice inflections but facial expression and "body lan-As a complete contrast, the

Welding Institute's new training centre at Abington, Cambridge, has a closed-circuit television installation for teaching ultrasonic testing tech-

presentation because they are as Penelope Keith and John tive efforts in the United States familiar with television, while Cleese are employed in many to exploit its suitability for trainers like video occause of programmes (video or film) to individual self-paced learning in sales and computer operations training.

Using the industrial/educa-tional (I/E) version of the laser based Philips system, which runs for up to 35 minutes a side under microprocessor control-to stop on particular frames, skip sections, go back-wards and forwards at the command — General Motors has installed over 11,000 disc players in showrooms and work areas throughout the United States.

As well as customer promotion, the discs, made by Disco-Vision Associates, hold sales training material. Although examples of the disc's branching program facility, when seen at the London Vid 80 conference, were regarded by some delegates as "appallingly sim-plistic" (for example, General Motors factories make (a) soapflakes (b) fast foods (c) motor cars) the potential of this new weapon in the training techpology arsenal was evident.

recently, another American motor manufacturer —Ford—bas also decided to instal optical video discs in dealers' showrooms. The company has bought 4,000 industrial players from Sony Video Products for installation in showrooms for sales and service training as well as for management communications and point-of-sale displays.

Provision by interactive

video disc of after-sales training recorded on video-cassette will, in computer programming has in conjunction with other trainbeen launched by IBM's General Systems Division, using, like tutoring, General Motors, discs made by courses General Motors, discs made by courses at technician and of larger companies, enabling DiscoVision (in which IBM has related levels or flexible them to acquire DITB training a half share). Prospective companies designed to update aids up to that sum and to set puter operators are given existing skills. instruction at 36 Guided Learn. It has been instruction at 36 Guided Learn- It has been suggested that levy) was a major factor in ing Centers set up across the existing resource centres, such fostering the acceptability of United States in system manage- as the Distributive Industry ment and programming using Training Board's purpose-built industry.

widen discs as the primary video centre at Knutsford, At a time of tight training video discs as the primary training medium.

repeated continuously. The recorders, cepts and generalities.

Training of computer staff by material video cassette is now well. At present the video centre £210 for a 16 mm film version established in Britain, with originates between eight and 12 of the same 19 minute pro-

A section of the Distributive Industry Training Board's purpose-built video centre at Knutsford,

and Advanced Systems Incor-

porated. ASI recently won a four-year contract to supply video-based study packages to local government, while BIS video courses have been adopted by American Express to train staff at its UK headquarters in Brighton in systems analysis and programming.

Video-cassettes are also expected to feature strongly in plans for Britain's proposed broad training opportunities for and a trade union. adults, including the un-employed. Training programmes ing materials and personal tutoring, provide complete

It has been suggested that Cheshire, which houses a studio Short modules, typically of equipped with four colour the opportunity to explore the ve or six minutes duration, cameras, three broadcast 2 potential of video as a training colour best use of video in computer cyclorama and lighting grid, training, according to IBM, is telecine, vision mixer and for introducing abstract con- sound desk, could be utilised ment. in preparing open learning

complete training programmes new training programmes a gramme (Help Yourself, about niques. for in-house use put out by year. They are made available security), the financial ince Although the video disc has companies such as BIS-Deltak, to the industry on a hire or sale tive is likely to be strong.

the National Computer Centre basis. The centre also produces commissioned programmes for individual companies. In 1980 81, the DITB sold over 3,200 video programmes; while 161,000 people in 546 concerns were trained by means of DITB video programmes.
It is expected that video usage

figures will be even higher in When studio time permits the video centre's technical facilities are rented to other

industrial or commercial organdistance learning centre for isations. Past users include technical education—the Open retail, wholesale and mail order Tech-intended to open up companies, motor manufacturers

Acceptability

The distributive board believes that its launch of the STAR scheme grant in 1980-81 (worth up to £1,000 in the case of larger companies, enabling it against the board's training video within the distribution

budgets, employers were given medium and, with the increasing availability and quality of video programmes, the incentive to invest in playback equip-

With a sale price differential of £60 for a video-cassette or £210 for a 16 mm film version

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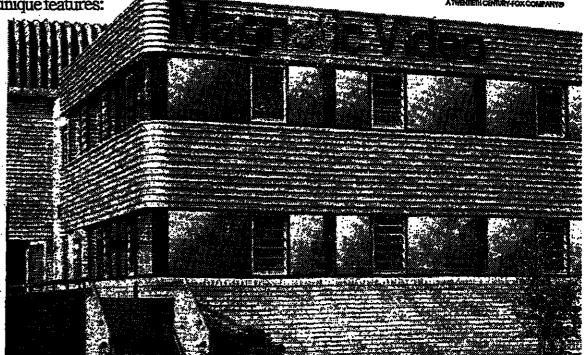
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# Remarkable possibilities opening up

CONVERGENCE between technologies such as data-processing, telecommunications and video becomes possible when they all use a common language.

That common language is provided by the binary code, a combination of electrical impulses (represented by the digits 6 and 1) which is the first and only language that digital computers can speak.

Now, with the development of telephone systems which carry signals as digital impulses is the first step in the UK in that direction—and digital video, remarkable possibilities are opening up.

Video has hitherto played a relatively small part in conventional data-processing. Some manufacturers have developed systems in which an image taken off a visual display ter-minal could be stored on videotape (as an analogue signal) to be used for purposes such as stock control; but this is a clumsy approach compared with which in which a minute air-

the increased flexibility now possible with digital technology. There are experiments in the training field involving the linking of video disc-where the images are stored in analogue form for domestic consumption -to microprocessors, making it possible to select particular parts of the stored image at high speed.

To begin with, video images were recorded on magnetic tape in analogue fashion, a technique which supports the video cassette market today. What is seen as the major development, however, is the in-

troduction of video-disc by

Philips in Europe and a number of other companies in the U.S. and Japan. The Philips method uses a variable power laser to write information on a disc no bigger

than a conventional long-playing record and retrieve that information for visual display on a cathode ray tube.

The disc consists of a sand-

space is trapped between two rounds of optical-quality glass. The inside surfaces of the airspace are coated with a fine layer of metal. Tellurium is now being investigated by Philips, RCA, Hitachi, Xerox, Thomson

The laser head floats some 2 mm above the surface of the disc, and when on high power is used to burn a pattern of holes in the metal surface. A disc 14 inches in diameter could hold 10,000m such holes, it is claimed. On low power, the

laser can detect the presence or absence of the holes. For domestic use, the pattern of holes burned in the disc surface represents, in an analogue fashion, a frame-by-frame record of the images scanned. But the most exciting possibilities when digital technologies are

Each hole-or the absence of binary digit, the equivalent of a single one or a zero. The storage capacity of such a derice is much greater than with conventional magnetic disc computer storage.

According to Mr Tony Moss, optical systems project manager at Philips' 1.000m characters can

iargon, some 2,000 megabytes of storage per disc—or in the more familiar paper language of the office some 500,000 A4 pages, if the input is direct from a word processor.

If the input is from a con-ventional document, which has to be digitised by passage through an electronic document. reader, the number of A4 pages which can be stored falls to 50,000-

# CONVERGING **TECHNOLOGIES**

ALAN CANE

The advantages of video-disc include its massive capacity magnetic media, its comparative resistance to dirt and grit in the environment—and thus to the tiresome head crashes which can destroy data stored Holland. on ordinary magnetic discs— A major reason why video and to rough handling, and its has played so little part up to potentially low cost.

When they are launched, probably in 1983, data video-discs will be expensive, but the price could fall to around £50

The major disadvantage compared with conventional disc storage is that the recording is

permanent and cannot be rewritten or erased. For many purposes, however, this is may be an advantage, especially for archiving in the office, while video disc technology is not expected to replace emional computer memory

but to supplement it.

The disc will store data, sound and pictures in a digi-tised form. Advanced location techniques will mean that any recorded information can be recalled quickly for display on a cathode ray tube setting as printed copy, or photographing

The office is the obvious place for such technology. Philips already has a "juke box holding 64 discs connected to a document scanner and a display screen—a prototype of the video-disc based "electronic filing cabinet"—at its Eindresearch centre in

now in data-processing is the width of wave-band needed to send video signals from one binary data already show that

disc. That means, in computer a disc when production is well-being resolved with the intro telephone systems and the International Subscriber Data

Network... satellite transmission and ception systems means that all soon be available for the whole spectrum of data transmission

Information technologists are particularly excited about the possibility of using video teleas it is called in the U.S. transmit a wide variety of digital information

Such cabling is already in place where experienents in community television have been carried out. offers one of the most attractive methods of setting up "local area networks," systems to interlink numbers of different types of computing devices on the same site.

Much of what is happening in video and computing is at options are numerous. But the new advances which are possible through the development of video-disc techniques and

# Growing emphasis on production skills and technical facilities

VIDEO presentation has bein community life, especially in the arts and in the propagation

At community level it has also become a participative medium, though in the past year there seems to have been a significant change to both approach and philosophy, at least in London. Notably, production values have improved with better equipment (U-matic colour recorders and portapacks), old notions of "access" to the media have been partly shed, and new modes of production introduced.

As in independent film production. independent com-munity video has traditionally opposed the commercial way of doing things as hierarchical and therefore obstructive to meaningful communication between "producer" and "subject." has therefore opposed special-ism, and even the jobs on a production are often inter-

Community video workers have also consulted the relevant local community group on a production (previously, to the point of group vetting), obtain a group's trust, and try as hard as possible to present their point of view. Increasingly, this practice is becoming more important as social and racial tensions in community affairs

Previously, community video never pretended to ape the "access" was "oppositional" on all levels. It wanted to present the truth about local people expressed by local people to a local audience. The creative emphasis was very much the late 1960s idea that anyone" could make a tape.

It was not only on naive production values that the earlier community video projects began to fail. There was effectively no distribution mechan-ism for "alternative" tapes, and many of the productions were strictly parochial. But these problems of production and distribution are now being faced and a new emphasis has emerged within many of the

emphasis on the skills of production and access to the technical facilities of the production house, so that community video workers who produce the tapes may also provide the camera crew and carry the work

through to final editing. Running costs for the projects have been met by a variety of funding sources: the Arts Council, Greater London Arts Association (GLAA); local authority; or Inner-City Partnership. Costs of materials are usually topped up by one-off grants.

Albany Video, of Deptford, has been in being for a good many years. Its work now spans from productions like "Us based on a play about young

COMMUNITY VIDEO PROJECTS MAUREEN McCUE

by the projects' then full-time skilled workers, to "The Health Cuts Campaign" tape, a techni-cally rough but brave effort made in association with local groups who scripted and shot it. From this and other experiences Albany admits that it has

to work out more clearly the requisite levels of training and instruction. Community video is being taken more actively to potential users, and one worker has started a black media work ers group on how to use video. Albany also produces "pro-

fessionally" various promo-tional tapes for theatre groups and musical groups as well as original productions for com-Oval Video is another long

standing project, originally seeded by GLAA, and taken over by Lambeth Borough Council. Instructional workshops and in-service training for local groups mesh with the production house concept. It now has

which it hires out for £60 per

but rather as a "community of interest." An approach from Oval Video has recently become involved in fictional productions. "Something has to be Done," made for the Race Relations Unit in Lambeth, and "Watch Out, There's a Queer About," on "gays" and the law, using the format of a police

longer defined geographically

no distribution structure pre-

sence in London of a low-cost. technically good editing facility The local community is no for the past three years (Fan-nger defined geographically tasy Factory Video) has helped community video makers to produce better quality tapes. Con-cord Films Council new distrioutside the borough would cord Films Council new distri-therefore not be turned down, butes many of these community cassettes to its educational

Community video workers seem genuinely pleased about this process and the new contributions they have made to the media. Perhaps in this move to produce technically bettraining tape, scripted by a ter, less parochial productions solicitor and shot by Oval Video on more general issues, comworkers, are a few examples. Lack of editing facilities and win the highest accolade of distribution structure pre-

# A FINANCIAL TIMES SURVEY

# VIEWDATA December 1 1981

The Financial Times proposes to publish a Survey on Viewdata in its issue of December 1 1981. The provisional editorial synopsis is set out below.

INTRODUCTION Viewdata, known outside Britain as Videotex, has been hailed as an important breakthrough in information technology. Its principal virtues are its simplicity, ease of use and low cost relative to conventional computer systems. International competition to supply systems is growing intense, though it is still unclear how big the world market will turn out to be.

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So, when the complexities of video technology arrived, Currys were ready and able to



Community video work in Lewisham. South London. Albany Video of Deptford produces promotional tapes for theatre and musical groups, as well as original productions for community use. Oval Video of Lambeth is another well-established video project in South London

Cilities

Sagranger 24 lan

# Wide range of monitoring and surveillance systems

communications device. The staff will either accept the information it provides, dismiss it as propaganda, or simply

But what happens if a video canteen? The chances are that shop stewards would be round to see the works manager within minutes.

No one doubts the potential ability of video to provide information when those watching the scren are prepared to concentrate on what it shows. So the video player can be harmless. But the video camera can only be a potential threat to the people looking into its

lens.

Put another way, industrial television can be a great provider as well as a distributor of information.

Industrial video has many different names — such as "remote observation," which is unwieldy but descriptive, or television the cost of video "surreillance television" with cameras often represents only its Big Brotherly connotations a small part of the bill for the but closed circuit television whole installation. (CCTV for short) is basically Prentire-scanning systems can

used to watch events. walls, factory areas or strongrooms can be watched. TV ment, just a change in the
systems to watch crowds at information it's receiving),
football matches, check the whole series of cameras can be running of tube trains (or, in reamyly, or automatically, con-one-man operations, allow the trolled from a single gatehouse driver to see along the length looking after miles of perimeter. Oduction of his train), and permit supermarket managers to see how busy their checkouts are have become commonplace.

The systems can range from very simple camera/monitor combinations (like those used as "entry-videos" by some security conscious householders) to complex installations using low-light and infrared cameras which can literally

see in the dark. The cameras are a small part of the system. They often could one frame per second rather not function without weather than the usual television proof housings, remote controls recorder's 25pfs. Depending on and special mountings to allow an operator hundreds of yards away to focus on a particular car, unknown losterer or fence

Video cameras can go where men either cannot or do not want to go, acting as their eyes

The nuclear power industry is an example. Reactor cores and other dangerously radioactive sections of power plants need to be constantly monitored. Special cameras have been developed to do the job.

production have acted as yet and motion exaggerates them another stimulant to the and makes the patterns clearer development of new kinds of If video can speed up time it hazardous but is also extremely

Modern underwater CCTV cameras can be remotely-controlled, descend to greater lepths than divers, stay there for long periods, and often see more through the murk than

mean under the sea. Internal pipe inspection uses special common since one cannot see small-diameter video cameras to what was taken until one gets check drains or pipes of all the film back from

a works canteen and it can be a which could previously have expensive. been assessed only by digging up the roads.

In the medical profession a combination of special lenses, optical fibres and video eamerss camera is installed in the works endoscopic inspections of the can be used for internal. human bods.

But all this camera technology based on special TV camera tubes which are sensitive to various kinds of radiation—not just light, but heat or even X-rays—would be useless with--out the control systems that go them. In surveillance

### INDUSTRIAL APPLICATIONS

sed to watch events.

In security or surveillance operate recorders whenever polications traffic, prison movement is sensed ito the

Time-lapse video-recorders can enable everything that happens in a striory shift to he compressed into only a few minutes of viewing time.

With CCTV applications the fine inpar video-recorder is an important device. Instead of mains it necessary for an entinein or researcher to watch an event, or series of events, in real time it speeds things up. it condenses the action by recording, for example, only the specificelected, which varies recording to application, it can record hours of real-time events

on short lengths of tape.
It gives the security official a still-frame picture of his "patch" once a second—more than enough for him to watch in hazardons or unfamiliar how someone got over a fence environments.

or sec, who was where when a crate disappeared.

A town planner trying to sort out traffic problems at a roundabout or in a busy city centre would have to writh the traffic in real time for days on end to see perceptible patterns emerg-North Sea oil exploration and ing, but speeding up both time

CCTV equipment. Sending down: can also slow it down. Industry diving teams to make routine might use condensed time to checks on sea-bed installations monitor slow processes or or run maintenance checks on record control room activity rig installations is not only during batch or continuous prodown time helps engineers and designers to understand highspeed events.

High-speed development device for decades. But it is expensive both to shoot any human eyes. (crew and lighting) and to Submersible does not only produce (film stock, processing (crew and lighting) and to and editing). Time delays are



Monitoring processes at a Fiat foundry. The central control room can watch events in many areas of the plant. Some factories also use time-elapse videorecorders which record activities in every shift compressed into only a few minutes of viewing



A specialised camera system for pipe inspection complete with lighting and remote control facilities produced by Rees Instruments

Video offers cheap and re-usable tapes, instant pictures, the possibility to use dim light, and portability. But until recently film has held its own, largely because it offered high speeds, up to 12,000 frames per

Action could be slowed down so that a second in real time would take over eight minutes to watch. Colour was also avail-able, while the definition offered by video systems was inferior to that of 16mm film.

Polaroid introduced a highinstant-movie camera system last year in an attempt to fill this gap in the market. Now high-speed video has arrived. In the U.S. a system offering high-definition and colour at 2,000 fps has now been introduced by Spin Physics (a Rodak subsidiary).

It seems that it will not be long before engineers and de-signers can start taking new looks at how their machines work without paying fortunes to

Robot paint-sprayers and welders are used increasingly in the car industry and computer-controlled machine tools have become common place in engineering. The next step will hands and muscle to perform complex assembly-line opera- The writer is editor of "Audio

Head B

Such advanced robots will be able to select component parts, check their quality and exact dimensions, place them cor-rectly, and fit them together rapidly. To do all that they will have to use an artificial eye -

the TV camera. It will be a solid-state camera employing silicon chips instead of cathode ray tubes.

Electronic images can then be fed into a computer and in a few seconds the robot will "know" what it has picked up, which way it is facing and whether it is the correct size.

Solid-state television cameras are already here (Matsushita, Sony, Hitachi, RCA and Marconi all have them) and so are the computer systems which allow robots to use them.

General Electric, for example, markets a range of equipment called Optomation which allows parts to be inspected at up to 300 units/minute without touching them. It not only identifies parts but checks their tolerances and decides whether they are up to the required standard — all this from a camera only 6 in wide and a control cabinet 30 in high, 20 in wide and 9 in deep.

Video technology is already here for industry to use. If a computer wants something special for a particular applicaalmost be certainly the use of special for a particular applica-machines instead of human tion, video technology can pro-



One of the many industrial scentity applications of video - remote observation by closed circuit TV with cameras that can see in the dark. In this instance, a motion-sensitive control system has triggered a monitor and recorder to reveal an intruder scaling a fence

# Only Toshiba offers you clearest video tape reproduction at any speed. Our four heads make arrerence.

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pick-up during slow motion and freezeframing which causes vibration and noise-

bar distortion. The result — only the B signal is read, and you get a picture as

perfect as a still-life.

TOSHIBA

# Much scope for further development

VIDEO DISCS and personal computers are made for each other. There is every indication the video disc will dominate home video in the 1980s and that the computer revolution will continue to change significantly the ways in which individuals and companies obtain information.

Basically, discs and computers are storage and retrieval Discs can play back movies, but programs made specifically for the capacity of the disc (freeze frame, random frame access, and dual channel audio) are more analogous to books, with chapters, segments, indices, appendices and so on. Then there are computers.

Thanks to the low-cost microprocessor, computing is now widely available to the private citizen. The personal computer is by definition portable and fits nicely on a desk top, "If you can't lift it, it's not a personal computer," says Byte Magazine. a leading journal concerned with personal computers.

Because of intense competition in the semi-conductor industry the personal computer is one of the few consumer devices that is actually coming down in price—on average 25 per cent per year—while going up in speed and storage capacity.

Several interfaces, or common boundaries, between video-dises and computers have so for been developed by research and development facilities in universities and private companies. small and large, and there is growing support for this sort of activity from the major videodisc and computer manufacturers world-wide. But why should companies as big as IBM, American Express or American Telephone and Telegraph (Bell) Lahs) want to connect a video-

Two reasons: first, the video-disc (in its basic version) is the most densely packed storage medium in existence, more than 10hn bits per side - one disc can hold every computer program ever written; second, the disc is a multi-media storage device. Not only can a videndisc store massive amounts of digital information but it can also play back motion pictures, photographic images and bi-Ringual audio information.

Every document in the British Museum, for example, could easily be stored on video-discs occupying two office filing cabinets. When used as a peripheral to a personal computer the video-disc can provide vast \_amounts of information at lowresearch organisations, schools and the home. Apart from the attractive

prices, a marriage of video-disc technology and personal com-puter technology could provide the most powerful "informathe most powerful "informa-tion machine" ever known. Video-disc technology, as well as microcomputer technology,

> THE LINK-UP WITH COMPUTERS

ROD DAYNES

provides a means for interaction between man and machine. Interaction is dialogue, and dialogue is sharing information. watie the snaring of information is essential to learning.

Some video-disc prayers are more capable of interaction than omers, For example, the Philips and viil consumer players can olly access specific still frames with approximate manual accuracies, but more advanced versions of some video-disc prayers can directly access any given frame precisely and quickly. The Thomson, DVA, and Sony optical players are programmable, but the Philips and Vid players are not. But these players are much

less expensive than the Thomsoa, DVA, and Sony players, To simplify matching target populations with player capabilities, researchers at the University of Nebraska categorised three levels of video-disc player intelligence.

A consumer model optical video-disc player, such as the Philips, Pioneer, or VHD with limited memory and no process-

An educational / industrial model video-disc player, such as the Sony, Thomson, or DVA 7820 with the capabilities of the consumer model plus an onboard programmable memory;

Either consumer or educational/industrial model interfaced to a personal computer. There is also a "level zero" in this classification that would include players having no inherent capacity for freeze-frame, random access, etc., such as the

(capacitance) player.

Several video-cassette machines designed for real time-only playback might also be included in The problem with interfacing providing the common boundary mand.

The computer must be prodoes not readily exist and there-fore has to be built.

Here is a brief account of some video-disc-personal computer interfaces designed and built at the University of Nebraska and clsewhere.

The simplest approach is to build a "black box" interface that gives control of the videodisc player to the computer. The box contains a standard parallel or serial interface that allows the computer to tell the videodisc to find a particular location, either a still frame or a motion sequence (with or without various combinations of audio),

The speed and accuracy needed to find these locations depends largely on the type of video-disc interfaced with the computer.

If a consumer player is used then "search time" will be anything from a split second to 20 seconds to locate'a frame, but since most current con-sumer players are not designed to interface to the computer there is no way that the disc player can " tell " the computer that it has executed the com-

gramed to "loop." or "mark time." until the disc has completed its task. This is not really a problem but it is not an efficient use of the computer. What is lost in efficiency can be gained in the low cost of the

consumer players.
Using an educational/industrial player, however, will vastly decrease the "worst case" search time from 20 seconds to less than 1.5 seconds. This is remarkable, since the fastest video-tape machines must take 2 minutes to do the same job.

In addition, educational/ logy.
industrial players are capable
of reporting their status at all graphics generated by the comtimes to the computer, thus allowing the computer to execute other commands while the video-disc is "on-line." But the educational/industrial players cost more.

Several organisations have built interfaces of the black hox" type—the University of Nebraska, Utah State University, a company called New Media Graphics in Cambridge, Massachusetts, and leading computer video-disc manufacturers

its device for less than \$400).
They work equally well with

consumer and educational/ industrial players. But the main problem with these interfaces is that they cannot "overlay" the computer-generated lext/ graphics on to the video coming from the television. They require two screens: one for the video and another for the computer.

So far, only two organisations have publicly demonstrated an overlay interface: the University of Nebraska and the Massachusetts Institute of Techno-

graphics generated by the com-puter with the video from the television, a vast amount of visual display alternatives be-comes possible. For example, the University of Nebraska has developed a computer con-trolled "sleuth game" for deaf children that teaches problemsolving skills.

They are asked to help a grocer to solve a mystery (something is missing from his store) and the computer helps them by providing clues, background

(New Media Graphics is selling information, and "expert" its device for less than \$400). advice if the student digresses. As a more complex exercise, low-cost flight trainer has also been developed using the same interface. It provides the experi-ence of a simulated aircraftlanding using only the television, video-disc and the personal computer.

Research at Boeing Aerospace has shown that this form of. flight training can both save money and maintain pilots operational readiness. As opposed to "full fidelity" flight simulators, costing several millions of dollars, a video-disc/personal computer simulator, including the interface, could cost well under \$5.000.

Parallel developments of video-discs and personal com-puters should be watched closely in the years ahead. If the costs continue to fall and the ideas continue to cause such excitement as has been seen so far the common boundary may be found in schools, industry and the home sooner than we

The writer is director, Videodisc Design/Production Group, University of Nebraska, U.S.



NEW VIDEO RECORDER PLANT

PHILIPS is now completing a new £75m video recorder factor; at Liesing. Vienna, on a 48-acre site. The plant is claimed to be the largest of its kind outside Japan and represents the Dutch company's largest single European investment. The complex is largely automated and capable of turning out 1.500 machines a day in the V2000 format; the factory is jointly developed with Grundig and employs 2,000 production staff.

A new recorder being produced above, model VR2022, features picture search and still-frame with a steady picture; it will sell in Britain for 5548. The original version has been restyled and renumbered, VR2021, and will cost \$499.

# Strong demand for more lightweight systems

Railway in Sussex or any other comparable with three or four of Britain's preserved steam volumes of the Encyclopaedia A portable VTR based on the lines and you will probably see Britannica.

A portable VTR based on the new JVC format, expected to lines and you will probably see at least one of an entirely new

colour videotape recorders now carried by such railway enthusiasts as have the money to buy them and the strength to carry

If this sounds an exaggeration, seek out an illicit copy of the BBC's 1980 Rainhill Trials commemoration and observe the profusion of portable VTRs in the public enclosures.

It should not be necessary in 1981 to argue the case for videotape over the more traditional photographic media: 35 mm prints and transparencies and Super 8 mm cine film. A full hour of colour television with lip-sync sound can be recorded and kept for just £3 per hour. less than the cost of a single roll of 20 processed Enprints.

portable VTRs to early obsole-(around £1.400 is difficult to the video-disc to a personal com-puter (or any computer for that matter) is that the means for

family of industrial antiquities. currently on sale in Britain have These are the battery-powered the same two eassette formats the weight of the lightest VHS which dominate the mainspowered VTR market: the Sony Betemax and the JVC VHS. each supported by a group of licensee manufacturers.

> of the Philips/Grundig Video Compact Cassette (VCC) have been introduced, though they are known to be under development.

Aware that themselves are bulky-larger than many complete audio tape recorders now on sale-JVC is working on a miniature version of VHS little more than twice the volume of a standard audio

These "mini-VHS" cassettes will be fully compatible with television camera with a bolt-on existing VHS equipment (being VTR mechanism running VHS So what condemns today's placed in a separate housing to prevent shifting 'within the scence? High initial outlay larger cassette recess). The same idea has been employed justify for a hobby), bulk and for many years by Sony to perweight. The combined bulk and mit large and small versions of weight of camera and recorder, its industrial U-matic cassettes

So-called "portable" VTRs appear in Japan and America next year, weighs 2.5 kg, or half 2.5 kg minimum must be added for the camera.

At the broadcast end of the VTR market, two innovations No battery-powered versions announced earlier this year f the Philips/Grundig Video show the longer-term direction

> PORTABLE REGORDERS DAYID KIRK

of VTR development. JVC's Matsushita associate demonstrated a shoulder-held colour cassettes at six times the originally specified speed.

The resultant quality was near enough to the broadcast Attempts are being made by standard needed for electronic Japanese VTR manufacturers to news-gathering that RCA is now agree on a single standard for marketing the system in the U.S. integrated camera/VTR record-

cameraman can operate it while rivalries will prevail. standing in a swimming pool . . . a practice not to be recom-mended for operators of any

mains-powered device. Sony responded with an ENG camera and six-times-normalspeed Betamax video cassette transport in a single housing (called Betacam) but peither design is small enough or light enough to appeal to domestic users since both are based on existing technology.

They are at best "stop-gap devices pending the move from analogue to digital video recording and from valve to solid-state camera imagers.

Integrated camera/VTR units for the private user from Sony, Hitachi, Matsushita and Sanyo are expected to arrive in 1984. It is unrealistic to apply the term "miniature" to the prototypes so far shown, though their size and weight compare favourably with small 16 mm or large Super 8 mm cine cameras,

ture claims that a Hawkeye that the usual commercial

Since VFR design involves many areas of compromise, any standard finally agreed upon can always be undercut in dimensions or price by a little more electronic noise reduction here or a fractionally shorter motor life there.

The main technical limits-

tion of the portable VTRs, apart from size, is the unsatisfactory quality of "in-camera edits," occurring whenever a video recorder is stopped and restarted. Whereas a cine camera and projector share sprocket holes which are positioned when a film is first manufactured, the VTR records its own stabilising pulses parallel with the audio track, and these

hecome irregularly spaced across a stop/start " join." Depending on the equipment, one in two, or one in 10 such joins will be subjectively stable on playback but may prove troublesome if the resultant tape is copied on to second agree on a single standard for generation.

TAKE a ride on the Bluebell let alone battery recharger, is though with a smaller variation as "Hawkeye." A picture in ing, but the existence of VHS unit being supplied with its Railway in Sussex or any other comparable with three or four in dimensions.

RCA's supporting sales literated and Befamax itself suggests Video Movie system to allow the supporting sales literated and Befamax itself suggests and Befamax itself suggests video Movie system to allow the supporting sales literated and Befamax itself suggests video Movie system to allow the supporting sales literated and Befamax itself suggests video Movie system to allow the supporting sales literated and Befamax itself suggests video Movie system to allow the supporting sales literated and Befamax itself suggests video Movie system to allow the supporting sales literated and Befamax itself suggests video Movie system to allow the supporting sales literated and Befamax itself suggests video Movie system to allow the supporting sales literated and Befamax itself suggests video Movie system to allow the supporting sales literated and Befamax itself suggests video Movie system to allow the supporting sales literated and Befamax itself suggests video Movie system to allow the supporting sales literated and Befamax itself suggests video Movie system to allow the supporting sales literated and Befamax itself suggests video Movie system to allow the supporting sales literated and Befamax itself suggests video Movie system to allow the supporting sales literated and Befamax itself suggests video Movie system to allow the supporting sales literated and Befamax itself suggests video Movie system to allow the supporting sales literated and Befamax itself suggests video Movie system to allow the supporting sales literated and Befamax itself suggests video Movie system to allow the supporting sales literated and Befamax itself suggests video Movie system to allow the supporting sales literated and supporting sales literated and supporting sales literated and supporting Betamax (or, presumably, an other format VCR).

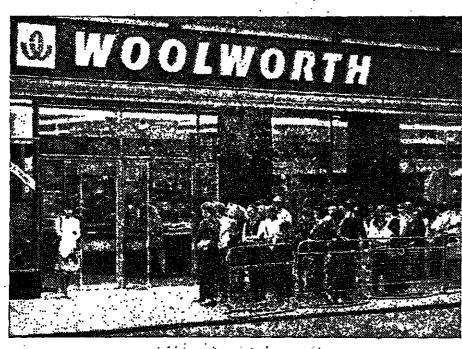
It is simultaneously studying the possibility of a magnetic stills camera allowing frame-byframe viewing through a domestic TV receiver. A prototype of device Mavicam, was demonstrated in Tokyo late in August and

derives its name from Sony : Mavica (magnetic video card) video recorder tried as a prototype in 1974. The card in question emerged from a flat storage envelope

(22. cm by 15.7 cm) and wawrapped round a drum to be scanned by rotating heads. Details of Mavicam are still awaited but it seems that the card will be much smaller than that of 1974, reflecting rapid progress in the production of magnetic storage media.

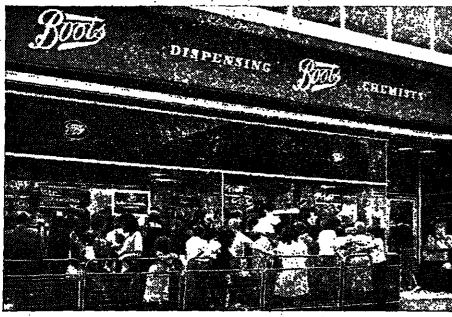
Meanwhile, before its promised launch in two years' timthe videographer wishing to record the family conquest o that there, too, is a working steam railway,

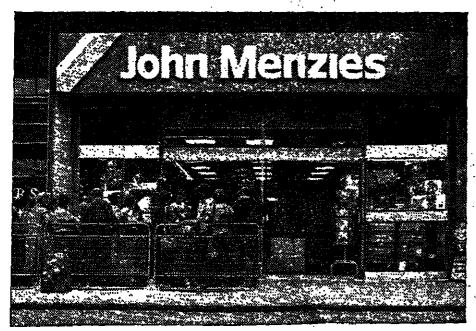
Sony has spoken of an editing The writer is editor of "Video













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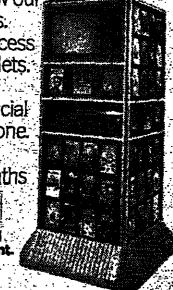
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ipe žojų handard

# William Hall, Banking Correspondent, looks at the strength of Scottish feeling about the future of the Royal Bank of Scotland

# Scots gather to protect 'their bank'

MR JEREMY HARDIF, and his square, one also keeping their of if the bank is to be taken many senior people in the Edin-Monopolies and Mergers Com-heads down. Most of them have over, a growing number of burgh financial community feel mission (MMC) team investigat. Royal Bank directors on their ing the proposed take-over of boards and their interests as the Royal Bank of Scotland shareholders in the Royal Group, had no sconer got back. Bank have to be reconciled from taking evidence in Scot with any views they might hold land, earlier this month, when about the importance of retainthey asked for a three-month ing an independent bank in extension for their inquiry they promptly re-(Which

If there were ever any doubts that the investigation into the statesmen of the banking com-rival £500m bids by Standard Chartered Bank and Hongkons SCOTI AND'S MALOR and Shangital Banking Corpora-tion was one of the most testing tasks set the Commission, then their two-day trip to Edinburgh must have quickly dispelled

RECORDER PLAIN

/stems

Demonstrators picketed the branches of the Rayal Bank while the team took evidence at St Andrews House (home of the Scottish Office). And most of the organisations whose representatives were interviewed they ranged from the Bank of Scotland to the Scotlish National Party—argued that the Royal Bank would be better off staying independent, even though its directors want to merge with Standard Chartered Bank.

The MMC's task has been made no easier by the fact that many pillars of the Scottish financial and commercial establishment are saying nothing in public (or to the Commission) for fear of offending old friends connected with the Royal Bank in one way or another.

Mr P. E. G. Balfour, chairman of the Scottish Council (Industry and Development), is & Glyn's subsidiary, together hors de combat, as is Mr Robin with the Royal's big London tish Development Agency, since more English than Scottish. It both are Royal Bank directors certainly earns more and have blessed the State of the S and have blessed the Standard Chartered bid. This has not prevented their respective agencies criticising the bids. The leaders of the so-called beginning to emerge: "Charlotte Square Mafia," the There is a con-"Charlotte Square Mana," the There is a considerable group of fund managers and body of opinion in Scotland insurance companies clustered which wants the Royal Bank to around Edinburgh's premier retain its independence.

Scotiand. The leaders of successful independent Scottish companies such as Ben Line, or elder

SCOTLAND'S MAJOR COMPANIES .

Distillers General Accident Royal Bank of Scotland United Biscuits House of Fraser Coats Patent Burmah Oil Bank of Scotland

Scottish & Newcastle

munity such as Mr lan Macdonald, a former chairman of the Royal Bank, have also shied away in public from saying what they think about the Royal Bank's plans to end its 254 years of independence. The Commission now has the unenviable task of judging how representative are the views of the Scottish interests that have come forward, and how much weight should be attached to them; it could be argued that the operations of the Williams

the majority of the shares are held south of the border. That said two points are

from its English activities and

Scots would prefer Hongkong and Shanghai to Standard Chartered the Royal Bank's chosen partner — because it promises to give greater autonomy to the Scottish bank.

over has come from all sides. Some of at is predictable, such views, but the Church of Scot-land, the Scottish TUC and most of the major local Chambers of Commerce have also come out against the bid.

At an individual level, the campaign to keep the Royal Bank independent has been waged most vociferously by two men—Mr Iain Noble and Mr Peter de Vink, two Edinburgh

entrepreneurs.
Noble is the Noble of Noble Grossart, the successful Scottish merchant bank. However, he parted company with the bank in the mid-1970s and went off to set up a Gaelic-speaking college on a Scottish island. He has returned to active financial life, bombarding everyone from the Governor of the

Bank of England downwards with his view that the takeover will damage Scotland. De Vink, by contrast, is not a Scot but a Dutchman who joined Ivory and Sime, the Edinburgh fund managers, in

the 1960s but now runs his own

business - Edinburgh Financial and General Hold-Precisely why do Vink feels so strongly about the loss of the Royal Bank's independence, is unclear, but he has taken upon himself the job of masterminding much of the public

campaign against the bid. He admits that his constant criticism of Sir Michael Herries, the chairman, and the other Royal Bank directors, many of them former shooting partners, has strained friendships of long standing. He is conducting his campaign, he says, out of sense of public duty and because so

unable to speak out,

But he does not speak for all the financial community. Two former colleagues of Noble and de Vink, for example, Angus Grossart of Noble Grossart, and Criticism of the planned take. Robert van Massdijk, of Ivory and Sime, are understood not to be totally opposed to the as the Scottish National Party's Royal Bank takeover, although neither will say so in public.

Noble and de Vink are both mavericks who do not fit easily into the Edinburgh financial scene. However, their case has been immeasurably strengthened by the support of Dr George Mathewson, a Scot who used to work for ICFC before taking over the chief execu-tive's job at the Scottish Development Agency (SDA) last

Under Mathewson's direction the SDA has done its own equivalent, of a Monopolies Commission report on the Royal Bank takeover. SDA staff visited North America and Hong Kong to put together a bulky dossier which argues strongly that both bids should be rejected and that the Royal Bank should remain independent. The SDA evidence together with the submission by the

Fraser of Allander Institute the University of Strathchyde), marshals the most authoritative 'arguments against the takeover and cannot be ignored by the MMC. The case for keeping the Royal Bank independent has also won another ally in Mr Alex Fletcher, a 52-year-old accountant who is now the Scottish Industry Minister. Mr Fletcher has said privately that he thinks the Royal Bank's and his merchant bank, J. Henry board has failed Scotland. That has irked Sir Michael, who let it be known that he thinks Lord Barber, Standard Chartered's chairman and a former Tory

Chancellor, should use his in-

the merger.

fluence to smooth the path of Finally, the Bank of Scotland, merger.

GENERAL

The Hongkong and Shanghai Banking Corporation

only a year younger than the Bank of England has told the MMC in no uncertain manner that it is against the bid. The Bank, which is 35 per cent owned by Barclays, fears that if the Royal Bank is taken over, it international bank." will be only a matter of time before it is swallowed up.

Against this barrage of critihave come out in support of the Royal Bank's efforts to merge with Standard Chartered Bank. Lord Airlie, chairman of Schroders, is one of the few who has come to the defence of the Royal Bank. He argues that too much attention has been placed on the emotional issues involved and not enough on a "rational and logical appraisal of the proposals." He sits on the Royal Bank of Scotland board Schroder Wazz, is advising Standard Chartered, the favoured surtor.

Mr Jan Dalziel, a merchant banker and Member for the European Parliament for Lothian, has also come out strongly in favour of the planned

"It is no longer realistic to suggest that a parochial clear-ing bank, based in Scotland, and relatively underexposed to the outside world, can produce the same sort of career opportunities for young Scots as the major

Mr Dalziel stresses that the lack of career opportunities has led to exodus of Scots bankers over the years and summarily dismisses the criticism of Iain Noble . . "if he had his way he would put the Royal Bank's headquarters in Skye."

Nevertheless, the scale of the criticism has shaken the Royal Bank's board. It is not just the nationalist fringe in Scotland. Several senior figures in the Scottish business community honestly believe that the Royal Bank's board is running away from its task. The Commission has to assess

what damage (if any) to the public interest will result from either of the two proposed bids. But in making that judgment it has to bear in mind what will happen if the Royal Bank of Scotland is forced to remain

Resisting the pull of London

THE BID for the Royal Bank of Scotland, which controls nearly half the Scottish banking system, has brought to a head years of unease about the way local control of Scotland's economy is being

The English insurance com-panies gobbled up the major composite Scottish insurance companies in the 1950s (except for General Accident in Perth) and would probably Scottish life insurance companies if most of them had not been mutualised. As it is, National Neder-

landen, a large Dutch insurance company, bought the Life Association of Scotland and Scottish Life managed to escape from Mr John Bentley, the Slater Walker acolyte, only by turning itself into a mutual company at the last moment. Most of the insurance companies which were taken over have lest their identities and are now nothing more than branches

of their English parents. The National Coal Board pension fund put the wind up the Edinburgh Investment community in 1977 when it took over one of their largest investment trusts, British Investment Trust. More recently, Lloyds Bank has won control of Lloyds and Scottish, Britain's biggest independent finance house.

In the non-financial sector, the Glasgow-hased Scottish and Universal Investments was taken over by Lourho in 1979 and the latter now has designs on House of Fraser, which is the subject of another MRIC investigation. Several major Scottish companies, such as United Biscuits, have their effective beadquarters in the South of, England.

"There is a critical minimum size for the Scottish business community below which the gravitational pullof London becomes irresistible," says the Fraser of Allander Institute. "The Allander Institute. "The departure of the Royal Bank

would set in motion a chain. of events which would bring that community very close to its minimum point. In addition to the potential: damage to the Scottish: economy of a Royal Bank-takeover, it has been argued:

that the loss of an inde-pendent bank could also have serious implications for the UK banking system. Although only a tenth of the size of the English banks, the Scottish banks have con-tributed a significant amount

to the development of the UK banking system. The Royal Bank pioneered overdrafts. branch banking was a Scottish invention and Scotland is the birthplace of savings More recently, the Scottish banks were the first to lead

the clearing banks into the thire purchase field, despite the Bank of England's antagonism. Mr Ian Macdonald, the entrepreneurial general manager of the Commercial Bank of Scotland (now part of the Royal) bought, in 1954, the Scottish Midland Guarantee Trust (the forerunner of Lloyds and Scottish), and his initiative has now been copied by all the big clearing banks.

Despite the inevitable safe

guards, the fear is that the takeover of the Royal Bank will lead to the gradual loss of yet another independent decision-making unit in the UK banking system.

# Letters to the Editor

### Prices in the Isle of Dogs From the Chairman, London

Docklands Development Corporation.

Sir.—Mr Kenlock (September 9) gives the impression that enterprise some status will have the effect of increasing industrial land values on the Isle of Dogs from £50,000 per acre to £250,000 per acre. I am prompted to comment in view of the fact that Anthony Harris in the U.S. closely, and if it on the southern hemisphere picked up the same point on leads to a sensible result — minks whales referred to in September 10.

worth £250,000 per acre, but at £175,000 or so for larger areas 31, Oulewood Court, W14. of land. There are half a dozen adjacent industrial properties on the market (in varying states of repair) at asking prices which reflect site values varying between £100,000 and £200,000 per acre. There is certainly nothing available at \$50,000 per acre. The point will no doubt come to be tested be-fore the Land's Tribunal in due-course, but in the meantime. I would estimate the uplift for enterprise zone status to be a figure of 50 per cent or so not a factor of five as suggested by

We are now the planning authority for a wide area beyond the Isle of Dogs itself and therefore take a keen. interest in the effects on activity; value and development which an enterprise zone will have on.

its close neighbours. It is worth pointing out that only on September 9 did we receive Michael Heseltine's formal invitation to submit a scheme for an enterprise zone on the Isle of Dogs; various consultation procedures can now commence and it is unlikely that our zone will take statutory effect before early 1982. In the meantime some 350 acres of land have been vested in us preliminary negotiations various potential developers have come Nigel Broackes. have commenced. West India House. Millwall Dock, E14.

# The gold standard

From Mr R. Kitzinger. Sir. - Ian Hargreaves' interesting report on the current U.S. debate on the gold stan-dard (September 5) suffers from one serious defect: Hargreaves himself, and whoever was responsible for the presentation of the report, clearly does not believe a return to the gold standard is possible or desirable. Hence the subheadline: A fliration with the past" in hold letters, and: "The U.S. search for sound meney" barely visible in the grey band at the top. Hence also such phrases as: "The objections, it phrases as: "The objections, it Osmotherley, Northallerton, goes without saying, are many North Yorkshire.

To be fair. Hargreaves answers the objections, arthough he doubts whether the monetary and budgety balancing act can be achieved in two years and "if it could be achieved, why would the country need to switch to gold anyway?" The

cerned, the desirability of an tion you offer to the problem— ing the required value date in Authority, exchange rate target is now a reduction in the size of the the transfer instructions, the 70 Brompton Road SWS,

Anthony Harris, September 3), does not provide adequate guidance - most of its members are still addicted to inflation, and joining it would mean throwing away the gains of the past two years. These gains are much greater than realised by those who have accepted the popular but mistaken notion

We should follow the debate which is dute possible, judging your editorial was that successive, small, fully serviced, should be linked to the U.S. majority view, based on joint sites within the EZ will be dollar, and thus indirectly to international research. gold, permanently.

that price indices measure infla-

# **Bookbinding** is alive and well

From Angela James Sir.—I must call your news-paper to task for the disservice that it has done to the bookbinding profession on two occasions recently.

The first is in the advertisement for your 1982 Diary.

couched in a style better suited to cheap "deluxe" bindings of classics, in which it states that the binding has been painstakingly carried out in Cornwall where the skills of this ancient craft are still to he found." This would seem to imply that the craft of bookbinding is a dying one, surviv-ing only in the far corners of the country. Quite the reverse is true. Designer Bookbinders is a society of 20 Fellows (practising and exhibiting members) and some 350 asso-ciate members, all of whom practise or are connected with bookbinding in some way. Then there are the numerous trade binders working in many towns and cities and a greater than ever number of students undertaking courses in art schools

and technical colleges.

The second incidence of misleading information was in Janet Marsh's erticle on August 15 on facsimile children's books in which she stated "....Japanese binders have rediscovered and reproduced the techniques of blind-stamp ing, gold-blocking and the rich edge-gilding (in real gold leaf) that were characteristic of the (and indeed Europe as a whole) these skills have never been lost I spend many days tooling and edge-gilding (yes, in real gold leaf) and I am only one among many who do.

I do not wish to labour the point, but it would be nice to think that you might one day be able to redress the impression left by these two state-ments and let your readers know that bookbinding has

# The whaling issue

Angela James.

16, South End

never been more alive and well.

From Mr R. Yoshingana Sir. = I appreciated your editorial comments on whaling switch to goth anyway. The entitled consists of the date when the answer to this question is of (July 27), which presented in refers to the date when the course, that confidence in cur- a logical and balanced manner sum transferred is to be rencies cannot be restored with several important points for credited to the beneficiary's consideration by your readers, out full convertibility.

consideration by Four readers, bank account and depute to me

As far as Britain is con- despite the fact that the solu
remitter's account. By specify
the far as the problem—

ing the remitted value date in

widely recognised, but the Euro-whaling industry through remitter is largely protecting pean Monetary System, which it voluntary centrols—differs from himself against any transfer is advocated we should join (see the Japanese position. I always wonder why so many dating is not mystic and corconservationist groups governments are so reluctant to quote the conclusion of the scientific committee of the IWC, despite the fact that the overwhelming bulk of the committee members are from non-whaling

countries like the U.S. and the UK. Many of the catch limits were unanimously decided by the scientific committee, and the consensus of the committee which is quite possible, judging your editorial was that stocks majority view, based on joint reflected in the recommendation catch limit for season should ncreased from 7,072 to 10,267, which is 3 per cent of the total

> however, as adopted by the committee was 8,102. I suspect that conservation ists' concern over alleged uncertainties of the estimates is rooted less in worries about the scientific method of assessing stocks than in a distaste of whaling itself. I wish to point out in this connection that Japan as a whaling country is fully conscious of its special responsibility for the conversation and proper management of whale stocks, and that, for this

reason, Japan will continue to

do its best in the promotion of scientific research. With respect to the method of killing. I should like to offer the following statistics. The average time taken by a great whale to die is about five minutes. Minke whales, which are much smaller in size, do not take longer to die. According to Japanese observations during the 1980/81 season, the average time taken by a minke whale to die was 3.36 minutes. Whenever a minke whale is not killed instantaneously, an electric lance is used to bring about a quick death. I should like to point out that vigorous efforts are being made by the Govern-ment of Japan and the industry to improve methods with a view

to achieving instantaneous death, and that encouraging resulfs are being obtained. The real crux of the whaling issue is whether we Japanese must share the predominant Western view, that whaling is too inhumane to be allowed continue.

R. Yoshimura (Counsellor), Embassy of Japan, 46 Grosvenor Street, WL

# Value-dated

transfers Manager, Letraset

Buser's inquiry (September 8) regarding the means of avoiding interest loss on funds in transit, I would suggest that the solution lies principally in "value-dating" transfers. Indeed, this is a well-established practice for infernational transfers involving to foreign exchange contract and can be usefully applied to smaller telegraphic transfers of domestic or foreign currency provided that adequate notice is given. The term "value date" bank account and debited to the

porate treasury departments consider the concept as fundamental to sound cash management. This is especially true of multi-national corporations for whom the sheer volume and frequency of payments abroad, both intra-group and external, demand that all sizeable transfers are effected by Telex or cable for good value so that funds do not "float" within the banking system.

In my experience, both domestic banks and UK branches of principal foreign banks will strive to respect a client's value-dated request. This is of course facilitated directly through established agents or correspondents in developed countries, but is less easy to ensure when the benepopulation. The catch limit. ficiary is located in a country whose banking facilities are backward. Occasionally, transfer hiccups

will occur, often through no fault of the remitting bank. It is, therefore, not uncommon when funds are transmitted to remote areas, with more "relaxed" banking arrangements, for the credit to be physically entered some days after the value date albeit with the correct back-value adjustment for interest purposes. S. J. S. Hampton.

Letraset, 7, Apple Tree Yard, SW1.

### Onus on the driver

From Mr D. Birkett Sir.—Why in the Road Traffic Act (1930) was the motor vehicle used as the instrument to introduce compulsory third party motor insurance? Surely the motor vehicle as

such can do no damage unless driven so that it must be the driver who must assume responsibility for third party accidents as required under the Act, due to his or her negligent driving. Consequently should it not be the driver's responsibility to take-out compulsory third party motor insurance and not merely the owner or registered keeper -which may be a limited company. Denis A. Birkett,

23, Midland Road, Bramhall, Cheshire. Source of the

### TV levy From the Director of Finance,

Independent Broadcasting

Sir,-In the article "Not only viewing, but buying" (Sept 10) on direct response advertising on TV, Mike Townsin of Young and Rubicam is reported to have said: "In effect, the TV companies are getting their income from selling product direct, and the IBA should find that questionable as they are getting their levy on air-time, not product." To put the record straight, the authority has always regarded the response element as part of the rate and it is brought forward as advertising revenue for the purposes of determining the appropriate amount of additional payments (levy). All the TV contractors. who operate these special rates are aware of this. Roy Downham. Independent Broadcasting

UK: Mr James Prior, Employment Secretary, opens youth club headquarters, Leicester. Mr Denis Healey, Mr John Silkin and Mr Tony Benn in debate on BBC TV Panorama programm Sir Adrian Cadbury, Aston

University, Chancellor, opens international congress on metals engineering, Birmingham (to September 18). Institution of Mechanical Engineering special address on the Voyager exploration of Sature.

British Pharmaceutical Society conference opens, Sussex University (to September 17).

# Today's Events

British Institute of Non-Destructive Testing conference opens, Cambridge (to September Ínternational Menswear Fair

opens, Earls Court (to September 16). International Boat Show opens. Southampton (to September 19). Exhibition of 50 years of Opera, Ballet and Drama opens.

National Theatre, SE1 (to November 10). Sir Ronald Gardner-Thorpe, Lord Mayor of London, visits London Metal Exchange, lunches with chairman: attends Billings-

gate and Leadenhall Markets Committee dinner, Fishmongers Overseas: European Parlia-

ment session opens, Strasbourg (to September 18). EEC Foreign Ministers continue to work on Commission's mandate proposals, Brussels. Norwegian general election.

OFFICIAL STATISTICS
Department of Trade issues

August provisional figures for COMPANY MEETINGS See week's Financial Diary on

COMPANY RESULTS Final dividends: Chambers and Fargus. Gripperrods Holdings. T. Japan Investment Trust. Murray Glendevon Investment Interim dividends: C. D.

Bramal. Low and Bozer. Mer-chants Trust. Pearson Longman. S. Pearson and Son. LUNCHTIME MUSIC. London Organ recital by Margaret Phillips, St. Lawrence Jewry. 1.0 pm. recital by Jonathan

Rennert, St Michael's Cornhill. 1.0 pm. Organ recital by Simon Lindley, St Anne and St Agnes.

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# **UK COMPANY NEWS**

# Yorkshire Spinners recovers midway

FOLLOWING last year's rationalisation, Forkshire Fine Woollen Spinners has returned to profitability with a pre-tax year to July 4. 1381. For the same period of 1980, the company made a loss of £63.200 which increased to £333,000 at the year end.

The company says that although much good progress has been made, there is no doubt that it is still feeling the effects of the recession at home and suffering from the earlier strength of sterling in export

There is again no interim dividend. Earnings per share are shown as 8.84p (0.86p loss) on dividend. Earnings per share are ordinary items, shown as 8.84p (0.86p loss) on Current cost pre-tax profit was the present capital and as 6.23p £116,000 (£405,600 loss):

First-half turnover increased from £2.2m to £3.52m, of which ES10,000 (£782,200) related to exports. At the trading level, profits were ahead from £36,500 to £340,200, before interest of £172,700 (£99,700).

profit for the period was £115,400, against a £34,700 loss.

sold (conditional upon shareholders' approval) resulting in a loss of £49,400 included in extra-

### MINING NEWS

# Haoma Gold plans bid for **North West Mining**

to make offers for the acquisi-West Mining on the basis of seven shares in Haoma for every ten fully-paid shares in North West Mining.

The two companies have a number of joint interests, and Hanma believes that a merger would be in the interests of shareholders in both companies. Not only are the two compagies joint participants in numerous mining, prospecting and exploration ventures, but between them they own more than 49 per cent of the issued capital and options of Strata Oil and also have joint oil and gas

The combined group would have a market capitalisation of around A\$30m. Haoma also proposes to make offers for the outstanding North West Mining and Gas).
options on the basis of seven Ramus Holdings (Buildings).

The following companies have notified dates all board meatings to the sinck Exchange. Such mestings are usually held for the purpose of considering dividends. Official indications

sidering dividends. Official indivisions are not available as to whether dividends are necessor brails and the sub-divisions shown below are based mainly on last year's hinetable.

\*\*TODAY\*\*

Interims:—C. D. Bramall, Low and Bonar, Microhants Trust, Pearson Longman, S. Pearson, James Willes.

Finals:—Chambers and Fargus, G.T. Japan Investment Trust, Gresham House Estates, Gripperrods, Murray Glendevon Investment Trust, Fundament Future Dates

Tax charge was £1,300 (£53,500 credit) and after extraordinary debits of £50,900 (£24,000) net In order to avoid further development costs and losses in Wall Luxury, its assets have been

Haoma options for every ten

in the U.S. will, it is intended

he issued to a trustee, who will

sell them on the market and acrount to entitled holders for

the net cash proceeds. In London on Friday Haoma

closed 2 lower at 40p and North West Mining 2 down at 32p.

The following securities have

heen added to the Share

Information Service:—
BOC International 9pc Conv.
Uns. Ln. Stk. 2001/6 (Section:

East of Scotland Onshore (Oil

Barrow Hepburn ..... Sept 15 Berkeley Hambro Property ..... Sept 13

Stewart Wrightson ......... Sept 23 Telephone Rentals ....... Oct 21

FT Share

Industrials).

Spear and Jackson

**BOARD MEETINGS** 

FUTURE DATES Electronic Machine Sept 22
Interims:— †Oct 2 tAmended †Sept 15

Information

### Geo. Oliver lower

THE unexpectedly poor weather during April and May was one of the contributing factors to George Oliver (Footwear) reporting lower pre-tax profits for the six mouths to June 30, 1981. The figures show a drop from £261,000 to £103,000. Sales rose from £6.18m to £6.7m, but competition has been even more intense and prices and margins have come under

Abbey Panels

A SLIGHT fall from £602,476 to

£569,566 in pre-tax profits is reported by Abbey Panels Invest-

tents for the half-year to March

31 1981. Turnover of this holding company, which is principally

engazed in project design and manufacture of major assembles

for space, aerospace, defence and

nuclear engineering programmes, was down from £6.2m to £5.9m.

declines

to £570,000

North West Mining options.

The entitlements of North
West Mining and option holders considerable pressure. In the light of the long-term confidence of the board, the interim dividend is heing increased from 1.1p to 1.21p last year's total was 4.4p from pre-tax profits of £1.05m.
First half tax took £43,000 (£79,000), and there was an

### Jessel distribution

(£51,000):

Unsecured creditors of Jessel Securities, which went into-voluntary liquidation in 1976, are to get a third dividend, at the rate of 11th in the pound.
This will bring the dividends distributed so far to 25}p in the nound. The liquidator. Mr P. F. M. Shewell, of Coopers and Lybrand, estimates that dividends to unsecured creditors during the winding-up might eventually total hetween 35p and 40n in the pound.

But he says he is not yet able to forecast when the fourth and subsequent dividends will beome pavable. There is no possibility of any distribution to shareholders and shares in all classes of the share capital are valueless.

Cheques for the third dividend will be distributed on September

### Lyon & Lyon down Taxable profits of Lyon and Lyon declined from £204,650 to £126,833 for the first half of

1981, on slightly lower turnover

of £4.76m, against £4.98m.

Following a dive into losses

# Management accounts subsequent to June and June 30 1981, Standard Industrial Group is omitting its final divismall improvement. The company's business is as a Ford main dealer, vehicle re-

pair specialist, road haulage contractor, shipbuilder and The net interim dividend is

The net interim dividend is being held at 1.5p per 25p share—last year's total was 6p.
First-half profits were after interest of £8.277 (£46.061) and investment income of £33.687 (£24.926). No tax is payable (£106,000 charge).

### **Business Computers**

Mr E. Loades, the chairman, says the order situation remains Taxable profits of Business Computers (Systems), which is quoted on the USM, rose slightly unsatisfactory, but he can identify the beginning of a from £124,000 to £131,000 for the first half of 1981, on turnover of increase in business £2.97m. against £2.34m.

The results have been affected Tax charged was £296,174 compared with £313,288. The interim dividend is maintained at 1.3p

because the company is currently investing in its engineering activities and increasing amounts in the development of business

However, as at June 30, the company was in line with its 1981 targets for order bookings, sales, revenue and profits, all of which are showing satisfactory improve-

dend. This leaves the interim of 0.9p net per 25p share to compare with the previous year's total of 1.85p.

On lower sales of £7.84m (£9.29m), the company made a full-year pre-tax loss of £340,609, against a profit of £429.795 previously. At halfway, profits had declined from £225,000 to

There was a tax credit for the year of £60,487 (£27,283 charge) and after an extraordinary debit of £269,005 this time, the attributable deficit was £449,127 (£402,512 surplus).

Stated loss per share was 5.23p (\$.97p earnings). The company is a watch and clock importer and precision instrumentation and component manufacturer.

# Rowton decline

In the six months to June 30, 1981, pre-tax profits of Rewton Hotels were down from £400,265 to £336.742, although the turn-over was marginally ahead at £2.86m compared with £2.79m. The first-half trading profits,

# Company News in brief

ment over the corresponding period of 1980, the directors

Tax took £30,000 this time and stated earnings per share were 1.7p (2.6p) before an extra-ordinary charge of £73.000 relating to the cost of the USM issue.
Mr Derek Royle, who has been chairman since the company's inception, has retired from this extraordinary credit of £368,000 post to reduce his commitments, but he remains a director. Mr Godfrey Chancler, a partner of Cazenove and Co., has been appointed to the board and elected chairman.

### McLaughlin ahead

Pre-tax profits of McLaughlin and Harvey, Irish builder and civil engineer, increased from £557,000 to £603,000 in the halfyear to June 30, 1981. Turnover rose from £21.78m to £22.81m. The board says that the depressed state in the company's industry continues and until some optimism for investment is generated, it is unable to view the future with anything but

Tax was down from £293,000 to £208,000 ,and attributable profits came out at £490,000 (£207,00) after extraordinary credits of £10,000 (£42,000). Stated earnings per 25p share improved from 6.7p to 9.8p and the interim dividend is unchanged at 1.8p—last year's total was 5.25p. The company's shares are quoted on the USM.

Standard Indl.

down from £400,265 to £215,585. reflect the lower hotel occupancy resulting from the downturn in tourist business. The board says prospects for the second half are

no brighter. Since the beginning of the year listed investments costing £53.950 have been sold, realising fig2.718 and net profits of fill.157. There was an overall charge of £145.451 (£208.137), leaving net profits lower at £181.291 (£192.128).

The interim dividend is unchanged at 3.15p—last year's total was 7p from pre-tax profits of £890.461.

The board points out that the fixed assets of the company are virtually all freeholds. In the present weak trading situation they express an opinion that the fixed assets shown in the last. halance sheet at a net cost of £5.52m have, even in the current depressed market, an open market value in excess of £10m.

### George Blair loss up

THE MOST difficult year in the history of George Blair and Company resulted in heavy pre-tax losses of £1.16m for the year ended March 28 1981. In the corresponding period last year, the losses were £280,000.

The year's outcome is in line with expectations. There is no final dividend and the stated loss per share increased to 48.76p (14.39p).

However, a significant turnround and operating profit is forecast for the current year. The second half trading loss of £205,000 contrasted

second half profits last year of £165,000. This brought the total trading loss for the full year to £388,000 (£18,000).

Interest charges rose from £246,000 to £351,000 and redandancy costs increased to £25,000 (£16,000). A release of £264,000 (£14,000) from deferred tax gave an after tax loss of £900,000 (£266.000).

Turnover dropped from £12.4m to £9.4m, but exports held steady at 35 per cent.
The shares are traded on the market made by M. J. H. Night-

### Celtic Haven

On marginally higher turnover Celtic Haven has cut its pre-tax loss from 5282,401 to 593,304 in the year to March 31, 1981, and the directors say group management accounts indicate the likelihood of a reasonable profit for the first contact the same of the first six months of the

current year.

Reflecting the board's confidence in the future, a first and final dividend of 0.25p net is proposed. No dividend was paid last

Turnover of the group—Dyfed, West: Wales, marine engineers and steel fabricators—improved from £1.46m to £1.5.

After various items, including a \$444,122 profit on the sale of a farm, an attributable loss of £150,195 is replaced by a profit of £55.951

At the interim stage, the pre-tax loss had been reduced from £79,715 to £37,778.

### Thorn EMI

Sir Richard Cave, chairman of Thorn EMI predicted "considerable success" for video discs in the late 1980's. He was answering a shareholder's question at the annual meeting when asked about the future of the video disc. Sir Richard admitted the group was "going into the land of the unknown, but we still have very great faith in the video disc," he assured shareholders. He told the meeting that trading in the first months of the current financial year has been as dull as anticipated. However, he said, the benefits from the management actions that have

been taken, are expected to come through into future profits. SPAIN

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ROYAL DUTCH PETROLEUM COMPANY (N. V. Koninklijke Nederlandsche Pstroleum Maatschappij)

Established at The Hague, The Netherlands

### INTERIM DIVIDEND 1981

The Supervisory Board and the Board of Management of the Company have declared on account of the expected total dividend in aspect of the year 1981, an interior dividend amounting to Netherlands Guilders 3.00 per share on its outstanding shares of 10 guilders par value.

On the Bearer Shares

(i) This interim dividend will be payable against surender of coupon No. 170 on or after 22nd September, 1981, at the offices of N. M. Rothschild & Sons Limited, New Court. St. Swithin's Lane, London EC4P 4DU on business days between the hours of 9.30 a.m. and 2 p.m.

Payment will be made in sterling at the buying rate of exchange current in Amsterdam at 2 p.m. on 15th September, 1981, in the case of coupons presented on or before that date; or on the day of or coupons presented on or paster and carried subsequently.

Coupons must be accompanied by a presentation form, copies of which can be obtained from N: M. Rothschild & Sons Limited, and the face of each coupon must bear the stemp or other indication. showing the name of the presenter.

Coupons must be left for an appropriate period for examination. Shareholders may request payment of the dividend in a different currency information in this respect will be supplied by the paying

Netherlands dividend tax at the reduced rate of 15 per cent will be

deducted from the gross dividend where: ... (a) United Kingdom income tax has also been deducted;

(b) Coupons are presented on behalf of residents of the United States of America, Australia, Austria, Belgium, Canada, Denmark, Finland, Pracoe, Ireland, Japan, Luxembourg, Netherlands Antilles, New Zealand, Norway, South Aidca, Spain, Sweden or West Germany, provided they lodge the appropriate declaration form.

Netherlands dividend tax at the reduced rate of 20 per cent will be deducted from the gross dividend where coupons are presented on behalf of residents of Indonesia or Surinam, provided they lodge the

In all other cases Netherlands dividend tex of 25 per cent is to be

(ii) On 22nd September, 1981, this interim dividend will be paid to Deposite itee admitted by Centrum veor Fonds and ministratie 8.V., Amsterdam, on the staires whose dividend sheats were in their custody at the close of business on 11th September, 1981. Such payment will be made through the medium of N. M. Rottschild & Sors Limited, after receipt by them of a duly completed CF Dividend

Where appropriate, the usual affidavit certifying non-residence in the United Kingdom will also be required if payment is to be made without deduction of United Kingdom Income tax.

Where under the double tex agreement between the United Kingdom Where under the double tax agreement between the United Kingdom and the Netherlands 15 per cent Netherlands dividend tax has been withheld, the 15 per cent Netherlands tax is allowable for a resident of the United Kingdom as a credit against the United Kingdom income tax payable in respect of the dividend. The deduction of United Kingdom income tax at the reduced rare of 15 per cent instead of at the Basic Rate of 30 per cent represents a provisional allowance of credit at the rate of 15 per cent.

B. On the Registered Shares registered in the United Kingdom Section of the Amsterdam Register

The sterling amount of this interim dividend is fixed at 62.537p per share based on the sterling/guilder rate of exchange, being N.fis 4.7895 =£1, current in Amsterdam on 10th September, 1981. The record date will be 21st September, 1981, shareholders registered at

the close of business on that date will be entitled to receive the divident. On or before 14th October, 1981 dividend warrants will be posted by the transfer agent. Algemene Bank. Nederland N.V. Amsterdam to shareholders registered in their books on the record date.

From the dividend on the registered shares Netherlands dividend tax of 25 per cent has also to be deducted. Where under the alexent tax, convention shareholders are entitled to a reduction of the Netherlands dividend tax, this can only be effected through a request for a partial refund of the tax withheld on the appropriate tax affidavit.

14th September, 1981 - ROYAL DUTCH PETROLEUM COMPANY

**NEW ISSUE** 

AUGUST, 1981



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(redeemable at the option of holders in 1988)

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Kuwait Investment Company (S.A.K.)

**PK**banken

Crédit Lyonnais

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) Kuwait International Investment Co. s.a.k. Morgan Stanley International

The National Bank of Kuwait S.A.K. Skandinaviska Enskilda Banken Sparbankernas Bank Svenska Handelsbanken

Alahli Bank of Kuwait K.S.C. The Industrial Bank of Kuwait K.S.C. Kuwait Pacific Finance Company Limited

Bank of Bahrain and Kuwait B.S.C. - Kuwait Branch Kuwait International Finance Company S.A.K. 'KIFCO' Yamaichi International (Europe) Limited U.S.\$30,000,000

# SUMITOMO HEAVY INDUSTRIES, LTD.

(Incorporated with limited liability in Japan) Guaranteed Floating Bate Notes Due 1984



Unconditionally guaranteed as to payment of principal

and interest by THE SUMITOMO BANK, LIMITED (Incorporated with limited liability in Japan)

accordance with the provisions of the Notes and Agent Bank Agreement between Sumitomo Heavy Industries, Ltd., The Sumitomo Bank, Limited and Citibank, N.A., dated 5th September. 1979, notice is hereby given that the Rate of Interest has been fixed at 1878% p.a. and that the interest payable on the relevant interest Payment Date, 14th December, 1981, against Coupon No. 9 in respect of U.S.\$25,000 nominal amount of the Notes will be U.S.\$1,188.85.

14th September, 1981 By: Citibank, N.A., London, Agent Bank CITIBANC

# M. J. H. Nightingale & Co. Limited

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ment complies with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to subscribe for or purchase any Securities

U.S.\$50,000,000

# FINANCE N.V.

164% NOTES DUE SEPTEMBER 15, 1985 WITH WARRANTS TO PURCHASE U.S.\$50,000,000 16% NOTES DUE SEPTEMBER 15, 1988

MANUFACTURERS HANOVER

BLYTH EASTMAN PAINE WEBBER

CHEMICAL BANK INTERNATIONAL

BANQUE DE L'INDOCHINE ET DE SUEZ BANQUE NATIONALE DE PARIS

BANQUE INTERNATIONALE A LUXEMBOURG S.A. CREDIT INDUSTRIEL ET COMMERCIAL

**EUROMOBILIARE SPA** 

GIROZENTRALE UND BANK DER ÖSTERREICHISCHEN SPARKASSEN SOCIÉTÉ GÉNÉRALE

The 1985 Notes and the 1988 Notes, in denominations of U.S. \$1,000 each, with an issue price of 99½ per cent in the case of the 1985 Notes (with Warrants), and 100 per cent in the case of the 1988 Notes, plus, in each case, actived interest, have been admitted to the Official List by the Council of The Stock to the issuance of the respective temporary Global Notes. Full particulars of the Notes are available to the Extel Statistical Service and may be obtained during normal business hours up to and including September 28, 1981 from:

London EC2R 7AN.

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DIVIDEND 1981

INTERNATIONAL BONDS

BY ALAN FRIEDMAN

# A gusher in the pipeline

A RECORD 172 per cent coupon Friday. Until last Thursday, is being paid for a U.S. dollar however, Eurodollar tradex Eurobond by TransCanada Pipe followed the guessing game in Line the Canadian natural gas Washington about the prospectransmission company. The tive size of the Reagan \$75m issue, which matures in Administration's budget deficit 1988, proves once again that and Eurobond prices ended when borrowers need to borrow I point down on the week. they will pay a high price

per cent tag. But lead managers Salomon Brothers and Union Bank of Switzerland announced the TransCanada deal on Friday and have already priced the

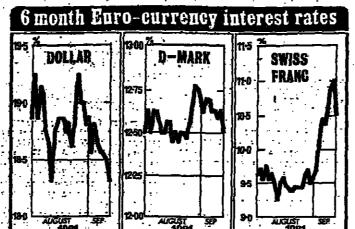
After deducting the selling commission of 12 per cent, the effective yield comes to 18.07 per cent, which is comfortably, close to the current six-month Eurocurrency dollar rate of 181

was the only new dollar issue of issues for National Weston the market last week, came minster Bank and the Oesteras the Eurodollar market made a slight recovery of ! point on to three the number of new

Elsewhere in the Eurodollar Until Friday the Eurobond market last week, Japanese condollar market thought it had vertibles continued to suffer, seen a pretty high coupon with although not as much as they the recent Province of New did two weeks ago. Sanyo foundland issue, carrying a 171 Electric cut its planned \$100m issue to \$50m and Minolta Camera which had reduced its bond from \$50m to \$40m, made a poor debut at a bid price of 89 against its issue price of par. Settsu Paper Board cut its and Daiwa Securities, which was also to have been lead-manager of a \$30m convertible for Fuji

Electric, postponed the bond "for the time being." per cent (see chart).

Meanwhile, in the DM sector, a window opened as the launch minster Bank and the Oester-increased in size from an reichische Kontrollbank brought original DM 100m on Wednes-



DM foreign bonds within the space of 8 days. The NatWest issue carries an 11 per cent coupon, which is a record for a public offering in the DM market. It was so well received last week that it was

day to DM.125m on Friday.

Lead managers WestLB and County Bank said the response had been excellent and the close of subscriptions, which was to have been this week, was accelerated to last Friday. The final price was set at 1001 to yield 10.96 per cent.

Last week's DM 150 five-year issue for Kontrollbank was also the issue is a private placemen with an 11 per cent coupon and is led by Deutsche Bank.

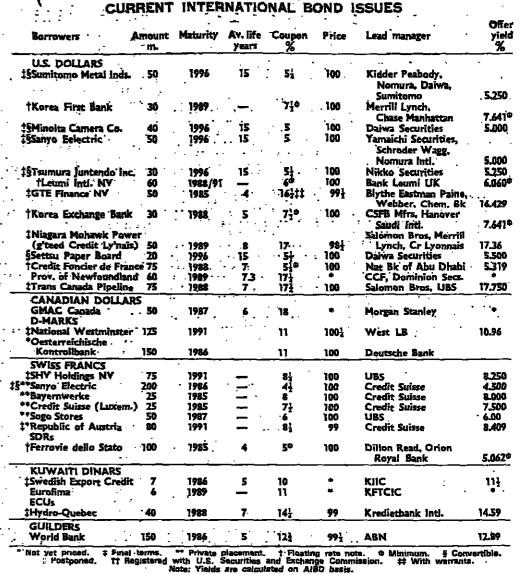
being snapped up by investors

While no one was anticipating a large number of new DM issues would now follow, bankers in Frankfurt definitely felt more optimistic last week about the size of the West German current account deficit. which was around DM 29bn last year and might be as low as DM 23bn this year.

There was also a better feeling about the potential strength of the D-Mark against the U.S. dollar, a helpful factor in the bond market. DM foreign bonds closed last week up 1.

The issue of new DM foreign bonds has been frowned upon at times as the Bundesbank and finance ministry monitor the ex-port of capital from West Germany. But there were indi cations last week that much of the buying was coming from outside of the country and it was thought by several bankers that under 15 per cent of the NatWest issue had been bought

In Zurich, Swiss foreign bond prices firmed late last week and Tuesday. The week closed with prices down a points, but the strengthening Swiss franc encouraged the market as the week progressed.



CREDITS

BY PETER MONTAGNON after falling sharply on Monday

# Headaches in Eastern Europe

Eastern European countries headway with this year's esti- Janeiro, which is raising \$60m cent in the course of its 10 increased last week with news mated borrowing programme. over eight years at a margin of years life. that Romania is now experiencing serious foreign attention of some bankers that Grenfell and Libra. exchange cash-flow problems.

Eastern Europe at a time when finances have been a source of gin of only 11 per cent. Particibanks are already extremely cautious about increasing their latest sharp rise in oil prices. exposure because of the Polish. This is partly because the after they expire and held by debt crisis and the low ebb of hardest hit developing countries them at the higher margin for East-West relations.

Bankers familiar with Eastern Europe point out that there the oil price rise to give them is still a wide differentation access to commercial bank lendbetween the various countries ingposition of Hungary which has such as Costa Rica, which and been riunning a current account nounced on Friday that it plans arranged on this basis.

payments surplus this year, is to reschedule its \$2.4bn external In Asia Korea Electric Comconsidered fairly strong and debt, have relatively small pany has awarded a \$90m, two few problems are expected from absolute debt levels.

Transcellation of the property Germany, Czechoslovakia and Bulgaria.
But concern

the serious debt problems of

have been those whose economies were too weak even before

It has also not escaped the 21 per cent through Morgan

The unusual feature is that The development is bound to aci as a further deterrent to in Bastera Europe rather than new international lending to in the developing world whose year maturity basis with a marconsiderable concern since the pations sold in this way will be and the credit apparently did taken back by the managers not suffer from renewed con-after they expire and held by cern over Denmark's long-term the remainder of the credit's eight year life.

Such a structure has become . for 'private sector increase to \$600m from \$500m borrowers recently in Argentina's latest Eurocommon for 'private sector Brazilian ' in the region. The financial Others to face acute problems, but this is believed to be the Company, was still making slow first public sector credit to be

echoslovakia Meanwhile the Eurocredit Sumitomo Finance and Wells market last week presented a Fargo. This involves a \$70m has been fairly quiet picture with large 10 year tratiche at a margin expressed over Yugoslavia, credits for both Indonesia and of I per cent for the first eight which is not a member of Venezuels still pending, years rising to I per cent thero-Comecon but has close trading. Among new mandates, how, after and a \$20m tax-spared links with the bloc. So far it ever; was one for ARSA; the franche with a margin rising in

THE FINANCIAL pressures on has been making very slow airport authority of Rio de stages from a per cent to a per

Denmark's export agency is raising \$150m through Citicorp in the form of a five year credit with a a per centmargin. The management group was reported to be virtually

complete at the end of last week cern over Denmark's long-term solvency which saw domestic prices plunge bond Copenhagen. Confirmed on Friday was an

progress with its \$500m facility for Pemex. U.S. INTEREST RATES (%)

Week to Week to Sept 13 Sept 4
Funds witty avgs 16.39 17.25
nth Treas. bills 15.00 15.54
nth CD ... 17.50 17.75
par Treas. bond 14.87 14.84
rebility. 17.13 17.25 Fed Funds wkly avge 3-month Trees. bills 3-month CD ... .... 30-year Treas. bond AAA 'utility' ...

U.S. BONDS

# Calm before the storm?

THE CREDIT markets managed small to recover some of their composure last week after the disasters of the previous fortnight, largely in response to President Reagan's attempts to hack billions more dollars from, his spending plans. After falling the high end of the target to record lows on Tuesday range. (when the Treasury long bond One credit, while European Banking

briefly yielded 15 per cent), bond prices stabilised and even pulled back a bit. Short-term interest rates generally edged

But this may turn out to be no more than the calm before the storm. Wall Street is still filled with a dark sense of foreboding, and though few care to predict which of many gloomladen scenarios will materialise. the chances of things actually getting better are rated very

Friday's money supply figures showed a welcome \$1.1bn drop in M1-B, keeping it comfortably below target. But M2, the broader monthly figure, was up \$18.8bn, which leaves it over

One of the few certainties is that credit demand will remain strong most of it at the short end of the market as the private sector pursues its -hand-tomouth existence waiting for interest rates to come down. Treasury demands will be massive as well, no matter what progress Mr Reagan makes.

between October and December;

its largest fourth quarter financing requirement ever.

Most market participants rates could drive the markets

have resigned themselves to into a credit crunch which rates in the months ahead. The question, though, is where will they lead?

Politicians in Washington provided one answer last week when they began to agitate for credit controls: Not surprisingly, this triggered a slight rally in the bond market because controls bring down interest rates. But it was mainly speculative buying at the trad-ing desk level. No one on Wall Street believes that credit controls will do any long-term According to projections by Salomon Brothers, the Treasury will have net new marketable good - rather the opposite. But clearly the markets will be borrowing needs of \$33bn measuring the political mood on

BY DAVID LASCELLES

would do the politicians' job for them. Although analysts hesitate to raise this spectre, the phrase is on many of their lips. The results would be the same: a steep drop in economic activity, widespread bankruptcies, and much pain

The more critical the situation becomes, the stronger the pressure on the Federal Reserve to ease its monetary policy There were hones at the end of last week that the Fed might trim the 4 per cent surcharge on its 14 per cent discount rate. But both Treasury and Fed officials were publicly underlining the need to keep a tight Capitol Hill more closely than

# FT INTERNATIONAL BOND SERVICE

	<u> </u>			<u> </u>		<u> </u>						<u>:</u>
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GMAC C/S Fm. 14% 87	. 198			+0, -0,		Charb'rages 13% 85				+04.4	-0% 18.0	2
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Newfoundland 132 90	60			+0, -17		U. Mex. Sts. 14 85					01, 18.6	
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Onterio Hydro 1312 91	100	857		0 -0,5		Beneficial 14 90 £.	20	82%			·07 i8.0	
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Average price chang	es Or	day d	œ,	on work -	<i>(</i> 2	NOTES	Spread	Bid O	for G.c	ita C.c	թու Ç.yi	d .
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TRAIGHTS 1	esued	BIG O	ner c	izy week	TIBIG	BNP 54 88	40%	99%	197, 29/	10 18	81 18.8	8 ⋅

**EUROBOND TURNOVER** (nominal value in \$m)

Епто-

Cedel clear U.S. \$ bonds Other bonds

\* No information availableprevious day's price. † Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price: the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on · week=Change over price a week

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (three-month; TRAVE Mean Nate or U.S. dollars. C.cpn = The current coupon. C.yld = The current

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion centage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which exists. The prices over the past week were supplied by: Krediet-France; Credit Lyonnais; Com-merzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Ac; Westlebusche Lancesbank
Girozentrale; Banque Generale
du Luxembourg SA; Banque
Internationale Luxembourg;
Kredietbank Luxembourg; Algemene Bank Nederland NV. Pierson, Heldring and Pierson, Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bankers Trust International; Credit Commercial de France (Securities) London; Citicorp International Bank; Daiwa Europe NV; Deltec Trading Company; EBC; First Chicago; Goldman Sachs Inter-national Corporation; Hambros Bank: IBJ International; Kidder Bank; LBJ International; Kidder Peabody International; Manufagturers Hanover; Merrill Lynch; Morgan Stanley International; Nikko Securities Company (Europe); Orion Royal Bank; Saiomon Brothers International; Samuel Montagu and Co.; Scandinavian Bank; Societe Generale Strauss Turnbull; Sumitomo, Finance International; S. G. Worburg and Co. Wood Gundy.

### **CENTRAL BANK OF TURKEY**

... US \$100,000,000

· · · ONE YEAR LOAN FACILITY

# LIBYAN ARAB FOREIGN BANK

LIBYAN ARAB FOREIGN BANK

BANQUE INTERCONTINENTALE ARABE

THE ARAB LIBYAN TUNISIAN BANK ARAB INTERNATIONAL BANK

KUWAIT FOREIGN TRADING CONTRACTING & INVESTMENT CO. SAK

ARAB BANK FOR INVESTMENT AND FOREIGN

ARAB BANKING CORPORATION

ÚNION DES BANQUES ARABES ET

**ARAB TURKISH BANK** 

16 Companies and Markets	WORLD STOC	K MARKET	rs	Fillanciar Lines money		K
_	1891	1981   10w   Stock   11   11   11   11   11   11   11	CANADA    High   Low   Stock   191   2714   1954   AMCCI int	1981   Sept. 11	IONG-KONG	NTERN PROPERTY.
Property   Property	BELGIUM Beiglan SE (81/12/65) 72,57 75,01 72,55 75,52 86.18 (17/2) 89.55 (18/6)  DENMARK Copenhagen SE (1/1/75) 116.56 114.09 115.78 115.24 118.00 (25/8) 95.88 (2/1)  FRANCE CAG General (29/12/67)	2,480 1,880 Solvay 1,910 1,910 1,930 1,935 1,060 1,356 962 UCS 1,565 962 UCS 1,565 962 UCS 1,565 962 UCS 1,565 960 UCS 1,565 980 Union Miniere 610 1,564 1,5	337.8   220,0 Mercedes Hig   309, 337.8   285   Metaligescol   286, 698   610,0 Muench Ruck   640   224   125,0 Preussag   287,0 Rosenthal   336   287,0 Rosenthal   336   287,0 Rosenthal   336   287,0 Rosenthal   295   287,0 Rosenthal   295   287,0 Rosenthal   295   287,0 Rosenthal   296   297,0   62,0 Thyesen   286,0   261,0 Thyesen   286,0   262   286,0   262   286,0   262   286,0   262   286,0   262   286,0   262   286,0   262   286,0   262   286,0   262   286,0   262   286,0	16.75   11.80   BHP   11.90   C.17   C.10   C.16   Brunswick Oil   C.17   C.10   C.18   C.18	Company Aug 23 on the 1981 seek Bank Ing. Insurance and Fluence.  Bank Laural is (arrest 1,482 105 Bank Laural in Sank of (arrest 1,483 105 105 Bank Br. 1,483 105 105 Bank Laural Invest. 1,483 105 105 Considerated Research Companies.  Bank Laural Invest. 1,483 105 105 Considerated Research Invest. 1,483 105 105 Considerated Research Invest. 1,483 105 Eloc Br. 1,483 105 105 105 105 105 105 105 105 105 105	

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# BUSINESSMAN'S DIARY

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# **IIK TRADE FAIRS AND EXHIBITIONS**

	TIME THAT WITH THE	TITOTIO
Date	Title	Venue
Current	MAB International Menswear Fair (01-404 0801)	venue
	INDIN SORT ISI	Earls Court
Sept 15-17:	MANAGUIAL EDVITORMENT SHOW THIARK BURGI	Olympia
260F 75-75	· IIII: III III III III III III III III	
C 4E 40	(021-705 6707)	Nat. Exbn. Cntr., Birmingham
96bt 19-19	(021-705 6707) Offshore Europe SI Exhibition and Conference	
C+ 15 00	(01-549 5831)	Aberdeen
Schr 19-50	CUCKER ADDITION FROM (11/77 SEDEU)	Tatina 1231i
35 pt 2020		Raple Chitet
ochi ar-20 minio.	International Garage Equipment Trade Exhibition	1
Sent 22-23	GARAGEQUIP 81 (01-235 7000)  CCC Business Studies: First National Credit	Olympia
DCD1-22-27 11111111	Management Convention and Exhibition (021-	
	643 3589)	Tifa umilale
Sept 22-24	Kent's Industry and Commerce Exhibition (01-729	Warwick
	0677)	Ashiora
Sept 23-25	International Spirits and Liqueurs Trade (0272	Asmora.
=	29083111	Exhibition Centre, Bristol
- Sept 23-25	Business Telecommunications Exhibition (09274)	
•	289111	Royal Lancaster Hotel, W2
Sept 27-30	British International Footwear Fair (01-739 2071)	Olympia
	British Philatelic Exhibition (083 482 433)	
ATTEDOR	AC TOADE PAIDS AND	TVITIDITIONS

OVERSEAS TRADE FAIRS AND
Current fine International Engineering Fair (01-278 0281) (until Sept 17)
Current International Autumn Fair (01486 1951) (until
Current SE Asian Production Machinery and Engineering Equipment Exhibition (01486 1951) (until Sept 18)
Sept 16-25 International Watchmaking Equipment Exhibition (01-235 2423)
Sept 18-20 International Trade Fair for Tableware, China, Glassware, Cutlery and Metalware Accessories (01-204 7116)
Sept 19-20 Scandinavian Fashion Week (01-540 1101)
Sept 20-23 Hardware Trade Fair (01-439 3964)
Sept 21-25 International Fishing Exhibition (021-705 6707)
Scot 22-24 Asian Security Seminar and Exhibition (021-705-
Sept 23-27 Asian Aerospace Exhibition (021-705 6707)
Sept 27-30 International Trade Fair for Cleaning and Flooring
- CLEANEXPO (01-486, 1951)

### Malmo ·

<b>BUSINESS AND MANAGEMENT CO</b>	NFERENCES
Current Seatrade Academy Anatomy of Shipping (0223 353451) (until Sept 28) Sept 15 CBI: Introducing single starus employment—what's	Cambridge
Sept 15	- ·
Sept 15 The Henley Centre for Forecasting: Revitalise your market thinking (01-353 9961)	London Press Centre
Sept 16-17 Financial Times Euro - Korean Symposium (01-621 1355)	Brussels
Sept 17-18 The Economist International Oil Supplies and Stocknilling Conference (01-839 7000)	Hamburz
Sept 17 Freight Transport Association National Conference: Efficiency in the '80s (0892 26171)	Wembley Conference Centre
Sept 17 Institute of Directors: The financial and legal impli- cations of management buy-outs (01-839 1233)	Pali Mail, SW1
Sept 21-23 DIBC UK/Tullett and Riley: Foreign exchange and money market dealing (01-788 5126)	Great Eastern Hotel, EC2 Europa Hotel, W1
Sept 22 IPS: Materials management (0990 23711)	Gatwick
Sept 23-26 International Bar Association: The future of London arbitration (01-930 6432)	Waldorf Hotel, WC1
Sont 24.25 FT Conference: The role of South East Asia in	
World Airline and Aerospace Development (01-621 1355) Sept 28-29MSS Computer and Business Consultancy: Com-	Singapore
puter appreciation for managers/users (Worthing 34755)	Worthing
Sept 28-29 AMR International: Advanced executive secretaries (01-262 2732)	Helsinki
Sept 29 Dun and Bradstreet: More effective collection tech- nique for credit controllers and supervisors (01-247 4377)	C-Et Taual Wil
Sept 29-Oct 1 Thames Water: Disposal of Sludge to Sea (01-837 3300)	Café Royal, W1 University College London
Anyone wishing to attend any of the above events is advised to	telephone the organisers to

INTERNATIONAL BANK

Zagreb

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Waldorf Hotel, WC1 Singapore Worthing

Aitken stress that Lloyd's gain the greatest advantage from an effective devaluation of sterling for their overseas currency revenues going to their UK based subsidiaries on a day-to-day basis. Since June 30 the pound has

INSURANCE

# **Prospects brighter** for brokers abroad

analysts are expecting those

collect from their producers.

to have largely eliminated the

management. True, they may

the past but they seem to have

Those companies which have

UK brokers are also becoming

Moreover, certain classes of

Even if there is only some

so the underlying trading trends

for the brokers are more

encouraging than they have

een for some time.

New Issue

insurers are making

run up expenses to produce new

This year the brokers appear

BY JOHN MOORE

LATEST half year results from shown further weakness against Sedgwick Group, the UK's the dollar standing at around largest insurance broker, sug. \$1.80 compared with an end gest that the prospect for inter-June rate of \$2.36. national UK brokers may be improving after a difficult threeyear period.

Last week Sedgwick reported that its pre-tax profits for the six months ending June 30 were £29.1m compared with £22.9m in the comparable period in the previous year, a 27 per cent increase.

The figures were accompanied by optimistic statements about trading. All sectors of the group's business in the UK had made satisfactory progress and results from U.S. and Australia operations and other overseas operations had been encourag-

The profit commission earned underwriting agencies had shown an upward

problem with better cash One of the more important factors influencing Sedgwick's he holding on to the money for and other brokers' performance is the movement of exchange longer periods of time than in rates. All of the quoted brokers overcome the adverse effects of in the UK earn sizeable pro-portions of their revenues in any delay in their own accounts dollars while the bulk of their costs are incurred in sterling. business and establish contact

Sedgwick, which derives roughly 37 per cent of its revenues in U.S. and Canadian with new markets are finding that the extra expenditure may show eventual rewards, as the dollars, said that the weakening growth in the largest insurance of the pound had increased the market in the world, the U.S. profits of overseas companies continues to slow. for the first half of the current some companies are showing benefits as a result of developfinancial year, but the movement had occurred too late in the period to have had a great effect upon the foreign curing new areas of activity as well as new geographical areas. income of our UK subadept at developing their larger sidiaries." accounts to generate even more

The more favourable moverevenues in commissions and ment of exchange rates had left profits about £800,000 higher than they would have been if business are showing signs of 1980 exchange rates had been hardness in their rating structure. Marine insurers and avia-

used for conversion purposes.
At June 30 the sterling value of U.S. dollars was worth 22 per vigorous attempts to increase cent more than a year ago. But the average value of U.S. dollars. rates following the poor experi ence of the past few years. higher than in the first half of 1980, showed only a modest recovery in rates, inflation of increase over the six-month insured values will provide some period of around 4 per cent. Stockbrokers Kitcat and underpinning for premiums and with them brokerage commis

Uncertainty still remains about which way the transatlantic realignments between UK and U.S. brokers will develop, and with them the place ing of large business volumes after the collapse of merger talks between Alexander and All of these bonds having been placed, this Alexander and Sedgwick. Even nouncement appears as a matter of record only

APPOINTMENTS

# Senior post at Yorkshire TV

commercial director at YORK-SHIRE TELEVISION with responsibility for the financial management of the company. He has also become a member of the board. Mr Hardy was commercial director of Alfred Dunkill in London, and he was previously with ITT Europe in Brussels and Litton Industries Inc. in Zurich and Berlin.

brokers with a high proportion Mr A. C. B. Chancellor has of earnings in dollars to show esigned as a director of TRING significant benefits from currency movements in the HALL SECURITIES.

second half of their financial Mr John G. Williams, a director of UNIVERSAL McCANN More generally, on the trading and the agency's creative direcfront a number of other tor, has been appointed deputy catures are helping the managing director with specific responsibilities for financial and brokers. Last year most brokers reported that they were suffercorporate advertising. Mr Jon Wilson has joined Universal ing from delays in cash trans McCopp from D'Arcy-MacManus and Masius and has been appointed creative director. missions between various links in the international insurance and reinsurance networks. Some brokers even had to write off

Mr David J. Brieknell has in their profit and loss accounts amounts they had failed to been appointed company secretary of PILKINGTON BROTHERS. He succeeds Mr J. Benson Tyler who has retired.

GCODMAN BROTHERS AND STOCKMAN states that Mr R. M.
Field has retired as chairman
and Mr T. E. Grimes has been
appointed in his place.

Mr C. C. W. Box-Graipger has been appointed to the board of TELEPHONE RENTALS. He has been marketing executive director since 1979.

Mr Ken O'Shea has been appointed senior local director of BARCLAYS BANK'S London southern district. Mr Fred Bartlam has been appointed an

Mr G. J. A. Hardy has become executive director of Barclays Rome, where he was

Mr C. J. P. J. Hollands and Mr W. P. McKinna have been director of Bankers Trust Italia appointed assistant directors of SRI, the Rome representative of Earkers Trust Company.

Herrero-Ducloux,

Mr Alastair R. Biggart, who is Mr Abel Herrero-Ductoux has to be appointed managing direcbeen appointed senior syndica-tion officer at BANKERS TRUST INTERNATIONAL (BTI), the tor of Robert L. Priestley, has resigned from the board of Michael J. Bancroft and Mr Peter London-based investment banking subsidiary of Bankers Trust Naylor are appointed directors of Company of New York. Mr Edmund Nuttail.

president of Bankers Trust Com- RIPPIN GROUP has appointed pany and assistant director of Mr Allan McCulloch technical RIPPIN GROUP has appointed BTI, joins after two years in director.

director of Bankers Trust Finanziari SpA, a wholly-owned

finance company, and sole director of Bankers Trust Italia

# Public Works Loan Board rates

	Otenta	ioans	repaid	Non-quota	loens	A° repaid
Years .	by EIPt	At	at maturitys	by EIPt	Αŧ	at maturity§
(02.2		ve Se	ptember 5			-
Up to 5	147	143	- 15 <u>¦</u>	15 <u>1</u>	15 ]	. 15‡
Over 5, up to 10	151	15	15}	15]	16	16
Over 10, up to 15	15}	15]	153	16¦	16	35]
Over 15, up to 25	15 ?	153	15	16	15;	15]
Over 25	153	153	15 [	152	15;	157
* Non-quota loar	s Bare	1 pe	r cent hi	gher in e	ach c	ase than
non-quota loans A.	† Equal	instal	ments of	principal.	‡ Re	payment

by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

### LOCAL AUTHORITY BOND TABLE

·	Annual	Ļife		
Authority (telephone number in	gross interest	pay- able	Minimun sum	pooq pood
parentheses) Knowsley (051-548 6555)	% . 13‡	1-year	£ 1,000	Year 1-3

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WORLD BANKING

London—December 14 and 15, 1981

This conference, like its predecessors in this well established World Banking series will focus attention on major issues of great current interest and concern to the world's major banks and financial institutions, governments, international agencies and corporate treasurers within industry.

The outlook for the Western economies in the light of American policy, notably on interest rates and the prospects for the U.S. itself, will be discussed in a section of the conference featuring papers by M. Raymond Barre, lately Prime Minister of France; the Hon. Myer Rashish, Under-Secretary of State for Economic Affairs, U.S. Department of State; and Dr. Henry Kaufman, General Partner, Salomon Brothers, Dr. Walter Seipp, Chairman of the Board of Managing Directors. Commerzbank AG.

and Mr. Harry Taylor, Vice-Chairman, Manufacturers Hanover Corporation, will head the discussion on the conduct of international banking business in the difficult climate prevailing today.

All inquiries should be addressed to: **Financial Times Limited** Conference Organisation Minster House. Arthur Street London EC4R 9AX

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Knwait Foreign Trading Contracting & Investment Co. (S.A.K.) Mitsubishi Bonk (Europe) S.A. Samuel Montagu & Co. Limited

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Sanvo Securities Co., Ltd. 1. Henry Schroder Wagg & Co. Limited Smith Barney, Harris Upham & Co. Incorporated Sumitomo Finance International

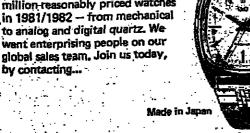
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EQUITIES

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RECENT ISSUES

# Syntex income shows

SYNTEX CORPORATION, the U.S. pharmaceutical and animal health foods group, said that the 31 per cent increase in net income for the fiscal year to July 31 was due to strong growth in its human pharmaceutical sector in the U.S. and medical diagnostic operations. Earnings advanced to \$98.60m from \$75.14m for the same period a year earlier, or \$5.59 a share against \$4.28. Overall sales increased by 22 per cent

to \$710.9m from \$579.5m. The company said that world-wide pharmaceutical sales in 1981 were \$469.6m, up 25 per cent from a year ago.

Gross margins from pharmaceutical operations improved in fiscal 1981 because of a more profitable product mix, price increases and an improvement in manufacturing processes.

Syntex said that worldwide sales of Naproxen, an anti-inflammatory drug, rose 32 per cent in 1981 to \$226.7m from \$171.4m a year ago. U.S. Naproxen sales were \$108.1m. up 62 per cent.

Sales of non-pharmaceutical products in 1981 rose by 18 per cent to \$241.3m from \$204.7m last year. The group's pre-tax operating profits increased at a greater rate than sales reflecting better cost controls, and significant improvement in the ophthalmics division.

Syntex said that sales of Syva. the diagnostic systems division, rose 56 per cent to \$65.3m from

\$41.8m last year. Sales of agribusiness, ophthalmics and dental care products were higher in fiscal 1981, but beauty care sales were signifi-

Pre-tax foreign exchange translation gains were \$3.2m less in 1981 than in 1980, when

# Setback for Billerud MISC in first seven months

BY WESTERLY CHRISTNER IN STOCKHOLM

first seven months, on a turnover advance of 7 per cent to

SKr 2.1bn (\$400m). For this year as a whole manlower earnings than the SKr 192m profit achieved in the earnings in the previous year. There was no comment

BILLERUD, the Swedish pulp, this year's group sales so far. paper and packaging group. In 1980 they reached SKr 3.34bn. reports a sharp drop in pre-tax earnings, to SKr 48m (\$9m) to SKr 48m (\$9m) had been forecast in Billerud's 1980 report to shareholders, and first seven months on a turnit was attributed in the interim report to a continued depressed demand for forestry products on For this year as a whole man-agement forecasts substantially factors including increased financial costs in the company.

SKr 192m profit achieved in This spring. Billerud and 1980—which was almost double Stora Koppariberg failed in an attempt to takeover Iggesund the Swedish pulp, board and from the company concerning chemicals manufacturer.

# Chuang's Properties to make issue with warrants

BY OUR HONG KONG CORRESPONDENT

CHUANG'S PROPERTIES has announced preliminary details of a new public flotation involving 85m shares at the HK\$1 par value before sending out the prospectus on Thursday, September 17. The company is a property development subsidiary of Chuang's Holdings, a diversified manufacturing, trad-

ing, and property group. The new issue is to be accomportion of one warrant for every two shares and is being underwritten by Schroders and Chartered. The directors have forecast

net profit of not less than HK\$20.5m (U.S.\$3.4m) for the year ending June 30, 1982 rising to HK\$37.5m in 1982-83. The company's consolidated net asset value, according to a land valua-tion carried out in July by Jones Lang Wootton, is HK\$1.14 per panied by warrants in the pro- share.

# doubles pre-tax earnings

By Wong Sulang in Kuala Lumpur

MALAYSIA'S fast expanding national shipping line, the Malaysian International Ship-ping Corporation, doubled its pre-tax earnings to 56m ringgits (U.S.\$ 23.53m) for the year to December, 1980, after a tripling of profits the year before. In its annual report the Corporation said that operating

revenue rose strongly by 40 per cent to 573m ringgit, while operating costs went up by only 30 per cent. There was, however, one disturbing area. The conventional liner service between the Far East and Europe, jointly operated with United Thai

Shipping Corporattion did not After a two-year consolida-tion period. MISC started to expand again in 1980 by placing orders for four new bulk carriers worth 167m ringgit with Japanese shipyards. Two coastal tankers, costing 19m ringgit, were also ordered, while

a container service to the Middle East was started. The chairman, Tengku Ngah said that the Corporation would expand rapidly so that by 1985 it would have doubled its ton-nage to 2.5m tonnes.

# Japanese to spend more on R and D

ratio of R and D funds to sales will rise to 1.94 per cent this fiscal year from 1.79 per cent in fiscal 1980 and 1.77 per cent in

pound expected to average \$1.82

Reflecting keen competition worldwide, investment by elecaccount for 54 per cent of the total planned R and D expendi-Fre-tax foreign exenance translation gains were \$3.2m Japanese business daily newsless in 1981 than in 1980, when there was a major devaluation of the Brazilian cruzeiro.

Japanese business daily newsless cent ratio among U.S. corporature by Japanese companies this companies are catching up fast the top section of all the stock in development of technological cent in the previous fiscal year.

text of likely interest rate trends

in London, but the bank appears to expect rates to fell next year and in 1983, but rise quite

# TOKYO—Japanese corporate exchanges in Japan. It showed that the average

investment in research and development (R and D) will increase 15.9 per cent in fiscal 1981 ending next March from the previous fiscal year to about 72,350bn (\$10.12bn) according fiscal 1979.
to a private survey conducted
This ratio is only slightly
by Nihon Keizai, a leading lower than an average 1.98 per

especially in the field of electronics, the survey said.

tric companies and car makers fiscal year. It represents a

# CURRENCIES, MONEY and GOLD

# Getting into the crystal ball

BANKERS TRUST Company of fair quite well during the period generally encouraging, with the ling was overvalued last year. New York recently published a five-year outlook for the currency market. This interesting document forecasis annual average exchange rates for major currencies up to 1986 based on the assessments of likely economic developments.

World inflation is expected to stabitise, but not decline signigrowth should keep oil price to economic policy of the Reagan Trust.

The bank expects correncies to next year, and then hovering

Italian ura and Spanish po are likely to depreciate by 20-50

Predictions for sterling are THE POUND SPOT AND FORWARD

-1.37 3.69-3.89018 -1-1-1 pm -5.85 102-112 dis -5.95 141-16-dis -4.40 1.03-1-19dis 1.40 2-11-2 pm -14.61 200-495dis -8.06 235-275 dis -11.32 671-704-dis

plus or minus 5 per cent of the of the French franc. while slow economic U.S. unit.

Bankers Trust suggests that Government unpopularity, and should keep oil price. The final group, including the the pound has weakened this the rise of the Social Democratic

The D-mark, Swiss franc, Dutch years, before falling to \$1.85 in to expect rates to guilder, and Japanese yen are forecast to rise by 10-20 per cent against the dollar, while current average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar, while current average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar, while current average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of the dollar average of DM 4.00 in 1982 to Mrs Thatcher's property of DM 4.00 in 1982 to Mrs Thatcher's property of DM 4.00 in 1982 to Mrs Thatche cies such as sterling, the Irish DM 3.70 in 1986, but over the oies are generally approved of, punt, French franc and Belgian same period will rise from with companies expected to franc are expected to stay within FFr 10.48 to FFr 12.03 in terms become more efficient thanks to

ground and given the approach per cent according to Bankers the British Government actively consequent detrimental effect on encouraged the belief that ster- the exchange rate it is warned.

Mrs Thatcher's economic polithe shedding of labour. But

<u></u>	Sept	11	<u> </u>	ept. 10
	Gold E	Bullion (fine ou	nce)	
Close	4712-44912 (E 47,75 (E	252-253) 2481 <sub>2</sub> -2491 <sub>2)</sub> 249.235) 250,910)	\$4511 <sub>3</sub> .4531 <sub>2</sub>  \$4451 <sub>9</sub> .4471 <sub>9</sub>  \$448  \$451.50	(£850-251) (£249-250) (£250.419) (£851.532)
		Gold Coins		
Krugerrand	2381-2391-2 2381-2391-2 491-501-2 4631-4641-2 41111-1121-4 41121-1121-4 411251-1271-4 41251-135-4 438-441-4 438-441-4	2584, 259 (4) 1133, 13319) 1133, 13319) 23719, 280 22583, 859 (4) 2524, 6224 1704, 7114) 1724, 75 (4) 231219, 314 (4) 23234, 226 (2) 23234, 326 (2)	\$239.843 \$124-125 \$52.53 \$466-467 \$11212-11314 \$1254-12744 \$1254-12744 \$1254-12744 \$1261-153 \$561-164	£691 <sub>2</sub> .701 <sub>2</sub> )

# THE DOLLAR SPOT AND FORWARD

d 1.1700-1.1935 1.1710-1.1730 0.37-0.490 dis — 4.40 1.03-1-19dis — er. 4.26-4.34 4.26\frac{1}{2}-4.27\frac{1}{2} \quad \

1.7760-1.8040 1.7770-1.7790 0.60-0.70c dis 2.1375-2.1775 2.1395-2.1415 1.30-1.40c dis 4.71½-4.81½ 4.72½-4.73½ ½c pm-½ dis 69.90-71.30 70.00-70.10 28.38c dis 13.35-13.57 13.36-13.38 0½-7½-ora dis 1.1700-1.1935 1.1710-1.1730 0.37-0.49p dis

Sept 11	spread	Close	One month	p.a.	months	.s.q
UK†	1,7760-1,8040	1.7770-1.7790	0,60-0.70c dis	-4,39	1.85-1.95dis	-4.27
Irelandi	1,5100-1,5200	1.5180-1.5200	0.10c pm-par	0.40	0.07-0.20dis	-0.36
Cenada	1.2032-1.2080	1.2032-1.2035	0,33-0,38c dis	-3.54	0.76-0.84qis	-2.66
Nethind.	2.6550-2.6680	2.6575-2.6626	1.07-0.97c pm	4.57	3.30-3.20 pm	4.90
Belgium	39.29-39.50	39.39-39.41	2-5c dis	-1,07	15-18 dis	-1.57
Denmark	7.5025-7.5340	7.5200-7.5300	1-1%ore dis	-1.79	¹₂ pm-par	0.13
W. Ger.	2.3950-2.4125	2.4005-2.4015	1.13-1.07pf pm	5.50	3.48-3.42 pm	5.76
Portugal	65.65-66.05	65.80-66.00	25-90c dis	-10.47	45-205 dis	-7.59
Spain	97.40-97.75	97.45-97.55	10-20c dis	-1.85	30-45 dis	-1.54
italy	1,2061,-1,2101	1,207-1,209	81-10 tire dis	-9,19	28-30 dis	-9.65
Norway	5.9675-6.0010	5.9675-5.9775	2.50-2.20ore pm	4.82	6.60-6.20 pm	4.29
France	5,7500-5,7950	5.7550-5.7600	1,30-1,80c dis	-3.23	5.25-6.25dis	-3.99
Sweden	5.1750-5.1950	5.1750-5.1850	1,40-1,20ore pm	3.01	4.20-4.00 pm	3.17
Japan	231.00-232.50	231.35-231.45	2.05-1.90y pm	10,24	6.15-6.00 pm	10.50
Austria	16.831,-16.92	15.831,-75.841,	9.90-8.40gra pm	3.52	25-21 pm	5.46
Switz.	2.0500-2.0740	2.0535-2.0545	1.20-1.10c pm	6.72	3.75-3.65 pm	7.20
				:		

t UK and Iroland are quoted in U.S. currency. Forward promiums and liscounts apply to the U.S. dollar and not to the individual currency.

OTHER CURRENCIES Note Rates Argentina Peso. 9826-9846t 5493-5513t Austria. Australia Dollar. 1.5540 1.5580 0.8750 0.8755 Belgium.... 1.5540 1.5580 0.8750 0.8755 Belgium.... 1.5540 1.5580 0.8750 0.8755 Belgium... 1.5580 0.8750 0.8825-5.2545 France. 1.5580 0.8750 0.8825-5.9950 1.5590 0.8845 0.88 30.15-30,55 76.36-77.15 15.46-15,61 10.30-10.50 4.31-4.35 2140-2200 415-420 4.75-4.80 New Zealand Dir. 2.159-2.1640 1.2150-1.2160 Spain Saudi Arab, Riyal 6, 12-5.18 5,4190-2.4820 Sweden...... Singapore Dollar. 3.6530 3.6630 2.1590-2.1610 Switzerland Sth. African Rand 1.6915-1.6935 0.9515-0.9625 United States... U.A.E. Dirham.... 6,58-6,63 3,6700-3.6730 Yugʻoslavia...

† Rate given for Argentina is the commercial rate. The financial rate for sterling is 13,262-13,282 and for the dellar 7,400-7,450. "Selling rate.

### **EURO-CURRENCY INTEREST RATES (Market closing Rates)**

20110 0011				4000000						
Sept. 11	Sterling	U.S. bollar	Canadian Dollar	Dutch Guilder	Swise Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	1256-1276 1254-13 134-1536 1376-14 1413-1414 1415-1414	1678-1718 17-1714 1719-1714 18 1814 18 18 1814 1754-18	20-21 20-31 20-31-21-3 20-4-21-3 20-4-20-4 1958-20	1112-12 1278-1218 13-1318 15-1318 15-15-15-15 15-16-15-15	5½-5 5-5½ 10;-10;-10;-10;-10;-10;-10;-10;-10;-10;-	114 1179 116 116 126 126 186 126 186 128	1654-1714 1815 19 2114-22 2256-2316 2916-2256 22-224	19-22 214-243, 25-2612 27-28 273,-283, 28-29	12%-13% 14½-17 17%-19 19%-204 19%-20 16%-19	654-714 715-745 715-716 736-754 736-756 754-8

# FT LONDON INTERBANK FIXING (11.00 a.m. SEPTEMBER 11)

bid 18 i/8 offer 18 1/4	bid 185/16 offer 187/16	of the bid and offered raise for \$10m banks at 11 am each working day. The Bank of Tokyo, Deutsche Bank, Banque I Trust.	quoted by the market to five reference banks are National Westminster Bank.
LONDON MONEY RA	TES	•	
Sept. 11 Certificate Interb		Discount Eligible Fire ompany Market Treasury Bank Trade	CURRENCY PATES

1254-1278 10-1258 -- -

2 days notice 7 days or	125g-127g 127g-15 131g 137g 131g	1489-14	1278 1314	   13-13 4   131 <sub>2</sub>	121 <sub>0</sub> -121 <sub>3</sub>	18 <del>15</del> -125 <sub>4</sub>	128	- 184
Two months 134 134 154 154 154 154 154 154 154 154 154 15	15 / 15 / - 13 / 15 / 13 13 14 14 14 14 14 14 14 14 14 14 14 14 14	14-1334 14-1334 1334-1312 1436-14	13%	1359.1354 1378.1418 1418	1279-15	15 <u>2</u> 154	13-13-6	135g 135 <sub>4</sub>
Nine months 141s 14 One year 141;-14 Two years	14 <sub>14</sub> -14 <sub>14</sub> 14 <sub>14</sub> 14 <sub>14</sub> -14 <sub>14</sub> 14 <sub>14</sub> 14 <sub>14</sub>	1489-14	14/6	{ = :	= 1	= !		=
L - I - where and	Ananca bairen enren d		others seve	o riano' A.	ed lone-	term lecal	authority	· mortanae

ties and finance houses seven days' notice, others seven beys' fixed, Long-term local substituty mortgage hirse years 14% per cant; four years 14% per cont. The Years 14° per cent. Deaph bill retas in table are prime peper. Buying rates for four-month bank bills 13° 22° 13° 22 per cent; four-month trade bills 13° 2 per te. Approximate selling rate for one-month Treasury bills 12%-12% per cent; two-months 12% per cent: three-months 5-13% per cent. Approximate selling rate for one-month bank bills 12% per cent; two-months 12%-12% per cent three-months 13% per cent; one-month trade bills 13% per cent; two-months 13% per cent and three-months 13% per

it. Finance Houses Base Rates. (published by the Finance Houses Association) 14°, per cent from September 1 1981. Aring Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent assury Bills: Average tender rate of discount 13.2(10) per cent.

Sterling	Sept_ 11	Bank rate	Drawing Rights	European Currency Unit
	U.S. 6. Canadian 8. Austria Sch. Balgian F. Danish K. D mark. Gulider French Fr. Lira Yen Norwan Kr. Spenish Pts. Swedish Kr. Swiss Fr.	20.18 63, 13 71s 9 91s 19 61, 9	1.13398 1.36463 19,1495 44,6703 8,33036 2,72563 3,01809 6,63796 1369,00 282,686 6,76120 110,563 5,88309	1.03908 1.25378 17.5178 40.8438 7.80718 2.49384 2.76067 5.98215 1254.09 240,377 6.21073 101,377 5.58336 2.13934

### mstrong Equipment...Sept 24 Final 1.72 Bisquit...Oct. 14 Int. 2.0 ...Sept 4 Int. 4.5 J...Oct 15 Int. 1.9 ...Sept 22 Int. 1.25 Scotland...Sept 22 Int. 8,0 Barratt Devs...Sept 22 Finel 8.85 Barkeley Hambro...Sept 17 Int. 3 \*Pearson Longman... Sept 14 Int. 3.75 \*Pagraon (S.)... Sept 14 Int. 3.75 \*Ragen. Sims & Jefferies... Sept 21 Int. 3.14 \*Ready Mixed Concrete... Sept 29 Final 3.7 Bilton (Percy)...Oct 1 int. 2.5 Reed (Austin) Oct 2 Int. 0.9 RTZ Sept 16 Int. 5.5 Rockware Oct 8 Nii Estate...Sept 25 Int. 1.46 \*Surmab Oil ...Sept 16 Int. 1.5 \*Cons. Gold Fields...Sept 15 Final 15.0 Mackintosh. Sept 18 Int. 2.5 Currys ......Sept 29 Int. 1.5 Dalgety .....Sept 17 Finel 11.0 Debenhams ...Oct 16 Int. 2.041 \*DRG .....Sept 22 Int. 3 Rugby Prtind. Cement...Oct 13 (nt. 2.2) Nat....Oct. 15 Int. 5.0 Glaxo ...........Oct 13 Final 6.0 Warehouses...Sept 24 Int. 1.866 \*GKN ........Sept 17 Int. 4.0 \*Howden (A.)...Sept 24 Int. 3.5 \*Kleinwort

BansonSept 22 Int, 3 aports IndsSept 19 Int, 3.5 Legal and	Board meeting intimated. † Right issue since made. † Tax free. § Son issue since made. 1 Forecast.
BASE LEND	ING RATES
AB.N. Bank 12 % Allied Irish Bank 12 % American Express Bk. 12 % Aphank Ltd. 13 % Arbothnot Latham 12 % Associates Cap. Corp. 12 % Bank of Cyprus 12 % Bank of Cyprus 12 % Bank of N.S.W. 12 % Bank of N.S.W. 12 % Banque Belge Ltd. 12 % Banque Belge Ltd. 13 % Bremar Holdings Ltd. 13 % Bremar Holdings Ltd. 13 % Brissol & West Invests. 12 % Brit Bank of Mid. East 12 % Brown Shipley 12 % Canada Perm't Trust. 13 % Cayzer Ltd. 12 % Canada Perm't Trust. 13 % Cayzer Ltd. 12 % Charterhouse Japhel. 13 % Choulartons 12 % Charterhouse Japhel. 13 % Citibank Savings 12 % Charterhouse Japhel. 13 % Citydesdale Bank 12 % Cooperative Bank 12 % Cooperative Bank 12 % Cooperative Bank 12 % Corinthian Secs. 12 % The Cyprus Popular Bk. 12 % The Cyprus Popular Bk. 12 % Eagil Trust 12 % First Nat. Fin. Corp. 15 % First Nat. Fees. Ltd. 15 % Robert Fraser 12 % Autony Gibbs 12 %	Grindlays Bank 12 % Guimess Mahon 12 % Hambros Bank 12 % Heritable & Gen. Trust 12 % Hill Samuel 512 % C. Hoare & Co. 12 % Hongkong & Shanghai 12 % Knowsley & Co. Ltd. 12 % Knowsley & Co. Ltd. 12 % Langris Trust Ltd. 12 % Lloyds Bank 12 % Mallinhall Limited 12 % Edward Manson & Co. 13 % Midland Bank 12 % Edward Manson & Co. 13 % Midland Bank 12 % Samuel Montagu 12 % Morgan Grenfell 13 % National Westminster 12 % P. S. Refson & Co. 12 % Slavenburg's Bank 12 % E. S. Schwab 13 % Standard Chartered 12 % Trustee Savings Bank 12 % Trustee Savings Bank 12 % Whiteaway Laidlaw 12 % Whiteaway Laidlaw 12 % Williams & Glyn's 12 % Wintrust Secs. Ltd. 12 % Wortgage base rate.

# "RIGHTS" OFFERS FP.31/7 11/8 24 Nil — 84pm 1 5 125p 13/7 2/12 182 F.P.20/8 17/9 53 Nil 15/9 14/10 55m F.P.28/8 30/8 18 F.P.11/9 7/10 7412 62 FP,119 7/10 7412 131e Hill 9/10 18/9 18/90 131 F.P. 28/8 25/9 178 110 FP 7/9 19/10 18312 135 F.P. 21/8 2/10 F3 14/90 77 F.P. 20/9 25/9 93 14/90 16/9/17 F.P. 20/9 25/9 93 14/90 74/90 15/9/97 12/8 20/3 13/90 Mill — 13/90 74/90 15/90 F.P. 9/9 9/10 55/0 16 F.P. 11/9 25/9 1712 Renonciation data escally test day for design free of streep duty. S Rigures based on prospectus estimate. g Assumed dividend and yield. S Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other edicial estimate for 1981. Q Gross. T Rigures assumed, t Cover allows for conversion of stares not now ranking for dividend and ranking say for essational dividends. S Placing price. P Pance values otherwise indicated. I issued by tender. I Offered to adders of ordinary stares as a "rights." \*\* Issued by very of expitalisation. ST Instrudenced. It issued to contraction with reorganization, magner or talacree. If introduction. It issued to former preference holders. S Albotnent letters (or fully-paid). P Provisional or pertity-paid allotment letters. \*\* With warrants. †† Designe under special fiels is United to Securities Market. †† London Listing. \*\* Effective house price after sorts.

# FT UNIT TRUST INFORMATION SERVICE

# **OFFSHORE & OVERSEAS**—contd.



The English Association
4 Fore Street, EC2
4 Income Fit\* | 67.7 | 72.1 | 4.93
E.A. Income Fit\* | 270.57 | 70.61
E.A. Sterling\* | 270.57 | 70.61
E.A. Engling\* | 270.57 | 70.61
E.A. Engling\* | 270.57 | 1.75
Witrigate Cm. Fit\* | 27.45 | 18.16 | 2.75
West desting Sept. 16. \*\*Next desting Sept. 30.
Enrolpoud Holdings M.V.
Pietermaal 15, Willemstan, Curasso.
London Agents: Intel 15 Christopher St., EC2
Intel 0.377 1040, Telex 98.1498,
Euro Hidgs. | 1.950 | 1.950
Euro Hidgs. |

Frankfurt Trust Investment Spath Wissensu 1, D-6000 Frankfurt Fr-Interior 1, D-6000 Frankfurt Frankft Effekt Fd. (2006-20 59.07)+0.54

FAV AUS. 31 US\$146.28 [ .... ] — E. T. Management (U.K.) List. Park lee, 16 Frebay Circo, London EC2 Tet. 01-628 6151. Tide 886.00 [ .... ] Tet: 01-626 5131 Tile 565100
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Berry Pec Fd. 185522 49 111
G. J. Asis Starfury 13 38 166 128
G. J. Bord Fund. 18510 55 100 102
G. J. Delter Fd. 18511 75 123 127
G. J. Immes, Fd. 18511 75 15 13 127
G. J. Immes, Fd. 18512 187
G. J. Asis Find Fund. 18512 187
G. J. Asis Fi 

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101 Liberte Poolings Hind.

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103 F. & C. Might Ltd. Inv. Advisors
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Summers Mahon Fd. Mgrs. (Guernsey) PO Box 188, St. Peter Port, Guernsey, 0481, 22506. Ind. Fund. St. 1994 20.481 11.20 Prices & August 27. Next dealing September 24. Hambre Pacific Fund Mgrat. 1.td. 2110. Consumb Earth. Mys. 1.td. ank Tst. Corp. (Jersey) Ltd. 

Quest Fortal Magazart. (Jersey) Ltd. PO Box 194, St. Heiter, Jersey. D534 27441 Quest Std. Fad. Lat. #50.690 0.731.pl -0.091 131.68 Quest Ind. Sects. \$0.997 177730 -0.097 1227 Quest Ind. Bd. USSU773 0.81930 -0.097 1227 Prices on Sept. 9. Ment dealing Sept. 16. Richmond Life Ass. Ltd.



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American Ind. Isc. 85.89 6.011-0.03 —
Copper Trust. 173.01 4.04-0.19 —
Jap. Index Tst. 188.25 8.42-0.25 — Surinvest Trint Managers Ltd.

Tekyo Pacific Hidgs. (Seaboard) N.V. Latinis Management Co. N.V., Curacio. NAV per state Sept. 7 US\$65.63.

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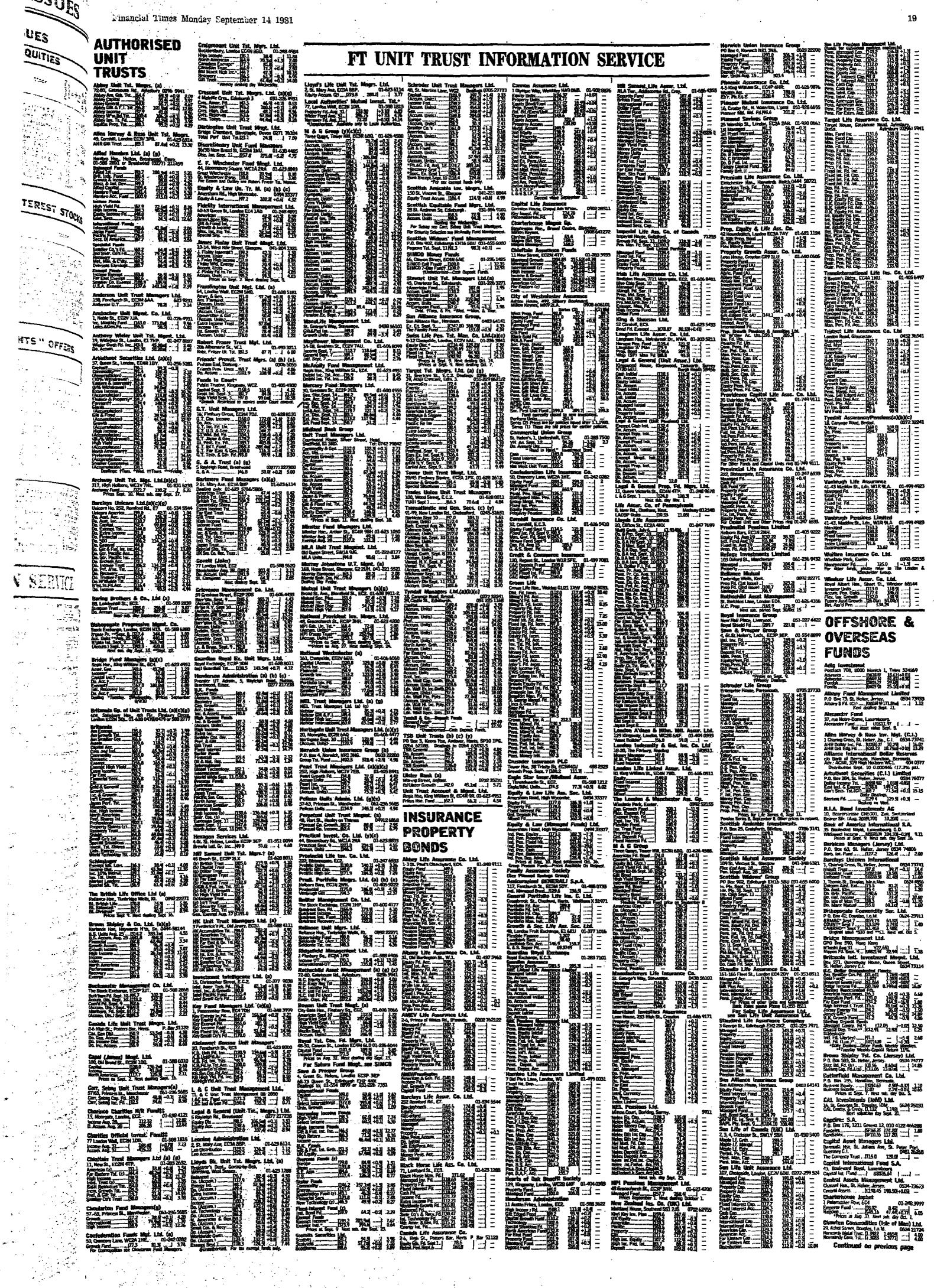
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Mr. Je S.D. Woolwortts 533O. Ja. Ap. Jy. Zapata Corp. 25c. **CORPORATION LOANS CANADIANS** COMMONWEALTH AND **AFRICAN LOANS South America** Trade and Investment Opportunities for Europe A Management Report by Margie Lindsay Europe can ill afford to ignore either the trading and investment opportunities offered by South America or the potential political importance of a region which contains essential mineral supplies. Did you know:-\* BRAZIL plans to quadruple its coal output by 1990 \* COLOMBIA plans to spend nearly \$22 bn on infrastructure up to 1982

- \* PERUS 1981-1983 development programme requires an investment
- \* ECUADOR is spending over \$4 bn for oil and gas exploration and development
- \* ARGENTINA in encouraging foreign investment has approved \$1.55 bn in three years up to August 1980

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<u>در</u> دور	-	B	UILDIN(	- IN	DUST	RY	,	July	Jan Feb	NSS News 10p	192 164	超级	27	[ 3.0] 9.5
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5.4 6.9 9.1	Jan. Nov.	yinda Jank	riC. Robey 'A' 1Cp . riCal rider (GNB 10b	1 328	변ᇲ	37	19.813.1	1554. 1564. 1564.	ᄬ	Sumrie 20p Time Prods, 10p. Tricovitte 10p	47 481 <sub>2</sub> 103	156 15 156 225 185 42.68	12	46 57
91 12	Jan. May	July Cec.	Carron	54 30	15.6 let 1.47 10.4 ±1.28	11	i 3.9i 2.9	Feb.	Jelj Dec	UDS Group	74 38	18.5 42.68 15.6 6.21 10.11 0.5	1.0	3.7 9.0 12.0 (12.6)
8.4	Apr. May May	Od	Cement Roadstore Comben Gp. 10p Conder Int	50 44ad 30a	36.3 t030.5°3 28.9 d2.55 28.8 ‡7.0	뀵	7.5 7.1 8.3 4.9	Oct.	Mov.	Vancona 20p Walker (Jas.)	123 76	15.4 6.21 10.11 0.5 28.8 8.0 30.3 4.0 30.3 4.0 30.3 5.5	19	93(24) 75(51)
7.0 9.9	July	Oct. Oct.	Costain Group	262	185 005	超	6.3 5.4	May May	Hov.	Do. N.V	選	303 40 303 55	25	60 7
6.D	Sept. Oct.	Apr. April	Crouch (D.) 22p	贤	24 7 3.5 13.3 5.05	3.8 2.9 1.2	4.8(7.8) 4.5(12.9	F. Apa May Apr.	Nov.	/Wearwell 5p Willow Warbo /Woohworth		9.2 72.5 10.4 6.29 28.5 4 79	겷	4.4 (14.6) 11.5(2.9) 12.7(8.2)
6.8 4.2 4.5	May Apr.	Gct.	Crouch Group Dougles Robt. M	1155 1145	28.8 4.4 28.3 5.0 16.7 •10.5	12	54 (B3 6.5 6		-			0 A L C	,	U44
4.5 5.3 1.7	April Nov.	-	(D'wning G.H. 50p (ADunion Grp. 5p . (Erith	238 7 84	16.7 +10.5 1.5 4.0		I I I	June	Dec.	ELEC A.B. Electronic.	1 126	20 W +7 C	1-1	‡ }
6.5 7.6 4.7	보 0. Jan.	July	Erith Fairclorgh Cons Feb. Int. 10p	144	185 †4.5 15 h2.6	23 36 38	4.5 7.2 3.4 8.6	April	May Nov.	Anstrad	193	11942	괡	3407
0.7 4.2	Jan. Jan. Mar.		د10 (John) مناه ال		15 b2 0 10.4 4.0	1 4.7	3.2 7.1	July Jan. Feb.	June	Audiotronic 10p	45 <sub>2</sub>	l 879k -⊷	26	# 9.1
43 74	Jar. Apr.	July	Francis Plot. 10p . French (Ger Gallitord Br. 5p	25 85 91	173 0.35 185 3.25 153 4.62	됞	20(21) 5.4 6.4 7.3 5.6	Hev.	May	Auto'ted Sec. 10p	185 265 75	J70 Æ +53 🤉	59	0.929.3 5.7 (0.7)
4.2	Just 16:	iy Feb	Gista D'dy A 10p. Gleson (C' 1 ) 13a	15 54	333125 16 1256	377	2.51(4.0) 4.51(4.0)	Apr. Feb.	Nov.	BSR 10p HBaker Elec. 10p Beret		1.5 %16.37 3 88 20.5 - 3.85		10 -
64 27	July Mar. Jag.	Oct. Sept.	(G302535) (H.A.T. Grp. 1Cp	64 71:r	15.6 4.62 108 F2.75 1.6 2.75	낽	4517.9 10311.8 55 8.6 16.0 5.6	Jan Jan	نحدا	Bouthorpe 10p. Bracks 10p.	136 136 23 23	16 +3.4 185 296 249 #1.38	걟	4.119.6) 2.316.2
54		Jap's	(Helical Sar Mexican (P. C.). Heuten St. 10b	242 <sub>2</sub> 248 34	16 2.75 185 8.0 185 1.28	25 19	12 69 5.4 62	July	Nov.	Bulgin 'A' 5p Cambridge Elec	3	_ 14135 _ 1337	14	8.4 10.9 5.6 9.5
-	Jan. Dec.	Aug. June	Heywood Was. Higgs & Hull	122 23 34	10.4 4.8	1 — I	52(8.1)	July Apr.	Oct.	Chloride Grp Concord Ratz_10p	404	28.8 Z0.6	<b> =</b>	킬
ı	Jese Jese Mar.	Dec. Dec. Sept.	Hovering turn Do. Res. Vig	67# 77#	14 29 14 29 261 20	2723	4.712.1 5.418.5	April Febr	HOV. Det.	CrayEl'tronic 10p Crystatate 5p Dale Elect. 10p	: 67	19.8 2.25 24.12 1.54 28.8 2.5	28	3.4 2.5 5.3 5.3 4
	April April Nov.	Qcl.	Howard Shut 10p I.D.C., 20p Ibstock Johnsen	83	92 65.06 184 4.5	녆	6.5 ¢ 8.7123 8.0038	Feb.	July Sept.	Derritron 10p Dewkars: 'A' 10p	68a 13 91 <sub>2</sub>	1279 B- 92 0.15	ᆎ	뒗∸
	Apr. April	Oct.	Int. Timber	83 222	10.6 4.0 16.3 13.2	•	6.9 — 8.8 4 — 26.7	May Oct.	June	Dreamland 10p. Dreamland 10p. Dutalier 5p	27)3 193 53	114 145 248 12 16 14	냺	8.6 7.8 9.0(9.1) 3.807.80
	Apr. Joi		ttJayplant Jennog \$40.50 . Jones Edwd. 10b	75 19	33 5012%	0.5	± 27.0	Feb.	Oct.	Electronic Mach.	739	16 14 198 9.75 975 ~	39	3.8(8.8) 1919.0 — 151
	لوال چەروال	Oct.	Laterge Cop. F100 Laterg (John)	28 29 125	27.6 025.9% 18.5 2.88	3.5 1.1	8.5 33 8.2 (NS)	Jan. May	Nov.	Elect. Restats 25p Emess Lighting	쁂	15.6 4.31 10.4 16.0	냻	13 (43)
- 1	Jan. Jan.	July	Lathum (J.) £1. Laureace (W.).	340	247 8.0	1	9.1 — 7.7 (5.8)	Jan. Feb. Jest	Aug.	Energy Servs. 10p. Europhern Ing. 30p Farnell Elec. 20p	347 <sub>2</sub> 200	16 0.75 24.7 84.5 18.5 5.2	扫	31113.0 22181 15214
	Feb. June Nov.	Dec	Leech (Wm.) 20p Leyland Paint Lilley F. L.C.	83 38 34	185 66 185 10	24 16 25	11.4(6.6) 3.6(11.6) 4.6(7.6)	Feb.	. puA	Ferracti 50p Fidelity Rad, 10o.	95 55 55	71 65	4.6	1.7136
ł	Jan Apr.	July Nov.	Lordon Brick Lovell (Y. J.)	77 265	10.4 4.37 24.7 17.0	22	8.1(6.5) 3.8 7.3 9.4 4.0	June May Mar	Nov.	First Castle 10p Forward Tech	72	16.6 1.79 18.4 5.27	1.111	23154 0.4 (21)
Ì	Mar. Nov.	Sep	McLaughin & H. Magnet & Sthrs Manders (Hidg)	154 140	10.6 5.25 10.8 5.0 10.4 4.8	34 24 27	9.4 4.9 4611.7 4.919.6	October Jan.	Jay	G.E.C. Hadland (J.) Hawthern L. 50p.	758 155 146	19.8 10.25 - 12.52 8.12 43.5	4.5 6.4 1.9	19144 23 96 34183
١	May Mar	Oct.	Marcheid Marshalk (Hfz)	116 95	23 6.0 92 45	혉	74 — 70 68	 Janu	ary	Hemokinetics 1c., Hishland El. 20o.	22	211 15	-	5.7
٠ إ	Feb. Jan. Feb.	Aug. July	May & Hassell M.D.W	90 99 70	13.7 3.3 18.5 4.5 13.7 3.0	3.9	5.9 65 43 61 —	Oct. Jan. Jure	Apr Jun. Oct	Jones Strood Kode Int Lec Refrig	270 270 280	28.8 5.2 16.3 6.69 10.4 5.55	냺	9.1 (1.9) 3.6 12.8 3.6 7.8 7.5 8.7
.	Oct.	Feb.	Meyer (Mont. L.) Militury Militer (Stan) 10p	66# 14	8.12 4.9	끍	11.183.20	Jan.	ولدائ	M.K. Electric Hilania Rec. Kib	230 27 <sub>2</sub>	29.6 12.0	-1	-}- I
ļ	Asr. Oct. Nov.	Apr.	Mixconcrete	82 25	30.1 4.05 18.5 3.0	0.9	14.3 ¢ 7.2 9.0 16.5 (1.1)	_ ~	٠ ا	Da 12pc Pie Pi. 10p. Memec 10p	233 234	- 33	23	26 — 18335
ł	July Jan.	Sep. July	Monk (A) Rowlen (J) Newartiski 51	127 127 127	13.7 1.75 19.5 8.75 19.67.0 29.6 6.62	414 26 5.7 25	48 66 7.1 63 23 92 62 72	Nov.	JUNY 1	Mitel Corp.II Nolymx 20p Motorola \$3	14	25.051.60	= :	 24 -
1	Ang. Feb.	Feb. Oct.	Nott, Brick 50p Phoenix Timber	噩	<b>24.12</b>   <b>1.0</b>		62 72 12 —	Mar.	July	Muirhead	196 198 13	22.051.60 27.6 21.0		24 - 13 - 
	Jan. Jan: _	Dec	Pochins	240 98 272	185 9.0 - 95.0 15 9.0	41 21 27 17	12 - 54 65 73 75 61 73	Jan. Mar. July	Oct	Newman Inds Newmark Louis Normand El. 20p.	357 30	1279 B 92 110 2412 1.09	3	5209
.	Jæ	Get.	Rediged	器	24.7 7.34		5.811.9	Mar.	Sept	Norsk Data A.S Perkm-Finner 4nd	230 2357±	31 06%	9.9	0.435.4 2.6 —
-	July Dec.	- 1	Roberts Adlard Rohan Grp. 10a . Rowkinson 10b .	133 185 49	185 8.0 1.9 tyrps: 156 c0.61	3.6 4.2	8.6 5.5 6.4 5.6 7 8 2 8	iae Ngv. May	Apr.1	Pethow Hidg 10p Phicom 10p Philips Fig 51.94	33	1279 185 10 185 054%		4.3 (8.4)
1	Hov. Jan.	ш	Rutheroad	56 I	19 4 3 75	3.3 3.9 2.2	18228 5377 8067 4757 7276	Dec.		Philips Fig. 51, % Philips Lo. F10. Piero El Pros. ic.	460 100	103 018%	13	의 9.1
í	Apr. Oct May.	May	Sharpe & Fisher .	160° 36 44 55	103 53 104 18 185 1.75	1924	4.7] 5.7 7.2] 7.6	Apr. Apr Joly	82	Pifco Hidgs, 20p., Do. 'A' 20p Picssey 50p	貓	28.8 5.28 28.8 5.28 1.9 7.63	24 11	35 ¢ 35 ¢ 3218.9
	Dec.	Dec.	Smart (J.) 10p. Streeters 10p	Z?	15.6 143.6	_ 7	7.91 9 9	Apr		Piessey 50p Pressac 10p HOuest Auts, 10p.	30 208	2012	531	6.923.3 0.7129.3
-	July July May	Oct	Tarmac 500 Taylor Woodrow Tabury C'tg £1	415 563± 235	18 5 16.0 28 8 5 13.31 15 22.38	3.1 3.4	5.5 6.7 6.7 5.3 11 4 —	Feb. Jan.	July	Racal Electrics Rediffusion #Scan Data 10o	122	26.455 337 55 - 02.6	갦	14243 41170 19128
1	May Jan	CCL	Travis & Arnold Tunnel B	190 485	15394 200155	6.7 2.4 8.9	3.0 5.3 4.6 16.8 7.1 25.2	May Jan	Nor.	Satisfies (GH) Security Centres	踞	353 ±18.52 19.6 1.3	扫.	1.629.5
•	ريم محل العلم		UBM Group Vects Stone 10p. Vibroplant	60% 29m 190m	14 3.0 238 1.8 28.0 £14.53	2.9 2.9	7.1 25.2 8.9 8.1 10.9(8.8) 12.5(4.5)	July Octob May	Feb.	Sony Co. Y50 Sound Diffsa. 5p Sul Tel, & Cables.	器	23.4 F0\$194 10.5 1.21 10.6 †10.0	15	10 0 16 526 14 12.6
	Apr.	ᅄ	Ward Hidgs, 10p . Do, Defd	47±	22.8 d4.2	격	-1-1	Koren	ber	Suter Electrical Sp   Do. Defol. So	55 55 SS	- 11.74	4.7	3.712.1
- 1	Dec.	Mov.	Warrington	201	1932	44	78 9.6 23118	Apr. Apr. Dec.	Nov.	Telefusion 5p   Do.'A' N/V 5p.	499 J	14 14	<b>♦</b> 1 4	4.7 4.8 3.416.5
- 1	Jan. Jan. Arr.	June	Westbrick Prods Western Bros Whatlings	92 80 21	27.6 4F5.0 16.6 30.6 20.9		7.8 29.1	Mar. Jan.	Oct.	Tele. Rentals Thorn ENI Duta CruP(\$249.)	75 75 75	먪썌	1.9	46 JA1 8.0 —
1	Hæ.	Ά	Whatlings Whit'gh'm 12130 . Wiggers Con. 10p	骅	203 6.75 103 2.5	翌	61 44 46 32	Apr. Apr.	Dec.	Thorpe F. W. 10pl Uniteth 10p	254	93 245 108 7.0	15	3.7 8.6 3.9 15.5
- 1	Oct. Jan		Wilson(Councily) Wimpey (Geo)	190 115	15 255 185 255	52	32 63	Jan. Oct.	July Apr	HM Degrate 20	495	11 157 185 160	30	17338
1			EMICAL		PLAST	IC:	5	Decem Feb.	Octal	Matouli V. FIO.25 Ward & Gold Wather El. 121-5	50 98± 147	21.8 5.4 - 13.5	1.64	7.9(£9) 4.7 (3£9)
- 1	Jan. Apr.	Sept	Alcro F1,20	465 2364	5763 — 26.5 2.73	19	2.9 22.8	Jan. Apr.		Wellco Hids, Sp Nsta, Select 200	29	16 +1.0	28	362
J	Johy Mar	Sept	Anchor Chem. Arrow Chemicals BASF AG DM50	46	15101238   166 —	0.5 14	-1-1	Decem Aprul	Der	Minimorth E1. 5p Mirlesale Fig 10p.	120 210=	1915	: 1	1.8 d
·	_ July	, [	DNSL WI NEWS ;	~~일	es of ATabl	• •	7 OF E3.5	1609.	- Aprill	Mgfait (H.)	154	entent	44) 3	5.6) (16.1)
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					anta tempera						- 27.			

FOOD, GROCERIES—Cont. HOTELS AND CATERERS

July Brent Welling Su. 59
Sept. Comfort int. 10p 188-301 185-40. 239 4.6
Sept. Comfort int. 10p 188-301 185-40. 113-40. 1 INDUSTRIALS (Miscel.) 

	INDUSTRIALS—Continued	INSTIDANCE Continued PROPERTY Continued INVESTMENT TRUSTS Co	
		Statement State Price of the Company State Price	i ·
	Feb. Oct. Howard Tenters 104 103 155 0A 35710 Nev. July Hendlery Assoc. 305 154 5.0 5.0 525 7.7 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Mar.   July Stewart Wr. 20p.   235   185   12.0   1.3 7.3 33.6   1.5 12.0   1.3 7.3 33.6   3.6   3.0	ł
	Ap. Ny.O. L. 1. L. Industriest 5172 9.5032.20 7.0 10	May   May   Fight   May   Ma	!
A Company	August 10 13 15 61	LE SURE Jan. June Jan. Peechery	ı
	Nov	Sec.	•
	Feb. Aug. Johnson Mithy, 21 285 274 9.5 23 4.8 (0.2) Oct. June Jourdan (T.) 10). 80ad 22.8 5.25 1.8 8.9 8.7 May Dec. Kalamazzon 10p 53 1.5 23.75 1.4 2 8.7 Feb. July Kelsey Jones. 139 1.448.0 4.7 8.2 3.7	The DELITY HOUSE 2 15 THE PROPERTY HOUSE 25 THE PROPERTY HOUSE AND ARTHOUGH AND ART	# *
	Nos. April Karshaw (A.) 59. 270 23 21.75 0.811.8 (A.) 1.8	May Oct   Marketin   2542    328   50   50   50   271   45   45   45   45   45   45   45   4	
	Dec. May Lawrer 42 303 540 16 7.810.4  July Nov. Lead Inds. 50p. 1272 15 9.66 12 8 214.1  Jan. Aug Leaderles Stering, 73 15 3.5 2.8 5.8 6.7  Jan. Aug Leaderles Stering, 73 15 3.5 2.8 5.8 6.7  Jan. July Leaderles Stering, 73 15 3.5 2.8 5.8 6.7  Jan. July Leaderles Stering, 73 15 3.5 2.7 7.4 7.5  Jan. July Libertage 10p. 163 3214 17.4 9.7 7.4 (5.3 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	- Strikman 100 87 - 92.8 4.5 4.5 5.8 fter Oct Second City 10p 62 93 12.2 2.3 51.05.5 May Nov Fundament Inc. 44 18.5 \$\frac{1}{1.0}\$ \$\frac{1}{	<u> </u>
	Sept.   Legislation   143   20   1779	Jan. Sept. National	: :
	Jul. Dec Lon-& Hiths. Grp. 38 14 3.75 2.5 12.1 3.3 inc. June Lang Hubby. 10p 74 1279 — — — — — — — — — — — — — — — — — — —	12   13   14   15   15   15   15   15   15   15	0 3
	Apr. Ot. Lorginer incs. 56 15.7 10 26 55 Apr. Apr. Laustale Unived. 33 137 51.85 2.9 15.5 Dec. Jacob Love & Boner Sop 196 104 145 1.6 10.6 17.0 18.6 Laustale Unived. 34 18.5 2.9 1.8 12.2 55 May Sept. Micrithy Ph. 20p. 130 10.6 7.0 18.7 7.7 5.5 Oct. May Marcheston (O.). 64 11.7 64.2 0.8 9.4 18.6 Apr. Macheston (O.). 64 11.7 64.2 0.8 9.4 18.6 Apr. Margheston (O.). 64 11.7 64.2 0.8 9.4 18.6 Apr. Mache	1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	<u>:</u>
	Aug. Mar. Magnolis Group 55 10.4 2.1 45 5.5 4.6 Aug. Feb. Man. Sho Can. C. 118 1.7 2.5 4.6 Aug. Feb. Man. Sho Can. C. 118 1.7 2.7 5 1.6 2.7 1.6 1.7 1.7 5 1.		7
(1)	Aug. Feb. Max. Salp Can. £1 118 1.9 27.5 — 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Bir.Je.S.D.   Gen. Mis. Visits 127   18.8 012c - 3.2 - May   Dec Common Bris. 50s   340   241   14.0   2.3   5.9   18.4   1.9   12.5   4.4   1.9	7
	Jan. June Metal Box E1. 158 15.4 10.71 1.0 9.1 (N.) Nov. June Metal Cloures. 126 30.3 5.4 2.5 6.2 7.5 Dec. June Metal Cloures. 126 10.5 0.1 0.9 Do. Defd	1 - Wattan Mars 5 7	4
	Mar. Oct. 1875 anti 5pt. 105 - 16. 1275 - 14.0 - 14	Feb. Aug. [E.R.F. [Hides.]. 40.   73.6 U.]   0.4   0.4   0.5	<u>.</u>
	Nov.   June   Metal Chosares.   126   30.3   5.4   2.5   6.2   7.5     Dec.   June   Metal Chosares.   126   115   0.1   0.9   0.1     Dec.   June   Metal Chosares.   126   115   0.1   0.9   0.1     July   Dec.   Metal Chosares.   126   1279   0.6   1279   0.6   1279   0.6   1279   0.6   1279   0.6   1279   0.6   0	Land See Leading See Land 1 - S	3 - -
	Jao. Aug. Norcros		7
	Jan. Jone Office & Elect 410 18.5 7.0 3.5 2.415.8 Oct. May Office 20p 1788 18.413.67 2.4 2.8 07.9	Jan.   Intyl-Flight Retwelling   950   15   1375   6.7   15   17.4   Jan.   May Plater Grey   17.7   17.7   18.7   19.7   10.7	=
	April Oct Parter Knof A 225 16:3 7:9 41 80 43 Feb. Aug. Pauls & Whites. 171 294 65 32 54 63 March Peerless	May   Dec. Lowisard from   283   151   15   15   15   15   15   15	* -
	Oct. July Pentes 10p	Garages, and Distributors   Arr. See laborous 80 30   1864  205 031c   6   9.6   6   1   Day 187   120	1
	September   Phillips Patents   26   10.8   1.0     5.5	Jan. Aug_lAthrend Sarriages   67   78.6   71.40     7   Dec.   Original Superior   12.0   13.0	.7 .8
	Agr. Movi-Polymark 10p. 88 23 3.7 1.5 6.1 (0.0 5) Jan. July Portals	Ass.   State	8 5
	Sept. Mar/Prestige Group. 145   18.5 4.58   2.4 6.8 7.5   Juse Nov. Princhard Sec. 5p. 1722   16.5 45.0   1.5 4.2 21.0   Feb. Sept. R.F.D. Green 14b   52   16.8 2.8   1.4 7.7   12.0   Jaa. Jahy/Rastani Mt. 12.5   62   24.12 3.0   2.0 7.119.0	May Der Dorade 30 15.9 121 49 55 4.9 Sept. Mar (Affied Torolle 160 10.5 7.24 2.5 6.5 8.7 Apr. Nov. Married Genteron 161 122 12.5 1.2 2.6 Jan. July Boustered 10p 12.7 1.8 1.25 1.2 1.4 5.5 4.9 Jan. Aug. April 12.0 12.9 12.9 12.9 12.9 12.9 12.9 12.9 12.9	_
<b></b>	Jan. July/Recitit & Colonas 274 18.5 18.5 2.0 4.5 03.5 July Feb. (Reciteur Glass. 147 15.4 210.5 1 18 5 1 1	Jan. Aprillednes 200   77   24 6   111   11   11   11   11   11   11	⊋l
<del>-</del>	March Renova Inc. Y50. 175   31.3 (022% -   1.4 Feb. Oct Renovack Group.   85   11.8 413.5   3.3 ±   5.7	Oc. April Heros Mr. Grg.   25   11.8   0.8   -4   4.9   -4   1.0	-
	Apr. New Nicardo 492 93 165 3.8 25 13.2 July Jan Riley (E. J.) 100 82 16 35 1.5 6.1 15.1 15.6 115.1	Oct. Agril Lookers	i ii
1. 34	Nov. Blay Roccioure 51 BLA 2.1 5.2 4.9 4.3 47 4.5 48 48 48 49 4.5 5.1 BLA 2.1 5.2 4.9 4.3 4.5 4.0 11.2 Dec. Aug. Ropore Hidgs. 210 13.7 6.5 4.0 4.4 7.1 Dec. Aug. Ropore Hidgs. 721 13.7 6.5 4.0 4.5 7.0 7.0 12.7 12.7 12.7 12.7 12.7 12.7 12.7 12.7	NEWSPAPERS, PUBLISHERS AND SISALS Tan Expr. St. 1913 38 21119 48 Aug. Feb Research 1959 RUBBERS AND SISALS Tan Expr. \$1 38 21119 48 Aug. Feb Research 1959 RUBBERS AND SISALS Tan Expr. \$1 38 21119 48 Aug. Feb Research	<u> </u>
- (4.40) - 現代 - 現代 - 現代	Hay Not. Research & Botton 92 13 22 34 74 14 16 16 16 16 16 16 16 16 16 16 16 16 16	Sect	<del>-</del>
1 1 1 W	haly St. Catain Fo.100.   987#   74.6 (03.3%)   2917.11   2.6 Dec.   June Sale Tiliney   255   36.3   7.5   3.5   4.6   6.9 Agr.   Dec. Sandars Mcz. 20.   52   33.9   1.9   2.4   5.4   8.9		A. AG AG
3 1	as. Aug Scapa Group	Jan. Nov. Gordon & Gotch 140 10.0 \$1.5 6 7.77 6 Inn. July Martin (A) 20p 2612 598 — — — Dec. June Stategaster Ind. 105 1.3 5.8 1.1 8.1 May UC. Services Will, E. Ind. 2.4 5.9 1.2 2.3 3.711.1 Oct. April 52.4 Nov. May Highlands MSCC. 9.9 6.9 Indicate 10 per cent or none difference if calculated on "Martin (A) 1.1 5.4 Nov. May Highlands MSCC. 9.9 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0	res Arr Nas ag
	Dec. July Sears Hidgs	Not West   May 1 May	di L
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BELL & WEBSTER LTD.



# N. Zealand arranging £100m acceptance facility

By Peter Montagnon. Euromarkets Correspondent

NEW ZEALAND is arranging a £100m sterling bankers' acceptance facility, the first time a foreign government has tapped this growing market in

tappen this growing market to its own name.

The issue, led by S. G. War-burg, follows hard on the heels of a successful £365m acceptance facility for Mexico's state oil concern Pemex. It brings the total of such credits arranged for foreign borrowers to almost £750m, City bankers estimate.

The popularity of the sterling bankers' acceptance market as a source of finance for foreigners has been increasing since exchange controls were abolished in 1979. Last month's decision by the Bank of England to double the number of banks whose bills are eligible for rediscount has given it a further boost

Under a bankers' acceptance facility the borrower can draw bills of exchange on the original lending bank up to an agreed cash, the lending bank can reself the bills which it has "accepted"

in this way.

The New Zealand issue, how ever, embodies some novel features, principally because it is the first such credit to be arranged by a foreign govern-

The Bank of England has told City banks that the bills will only be eligible for discount if they finance a genuine underlying trade transaction.

As foreign governments do not normally trade in their own name, the Bank has indicated willingness to consider exceptions to this rule if the borrower is a sovereign entity and the transaction temporary in nature.

New Zealand is understood to be availing itself of this excep-tion. The facility is for one year only and New Zealand is expected to refinance it through a bond issue in the sterling market when conditions are appropriate.

Other sterling acceptance facilities have been longerterm. They have also carried higher commissions—at 1 per facility which bears a commission of only t per cent in deference to the country's high international credit rating and the short-term nature of the

### Continued from Page 1

### Oil

Saudi Arabia might also restore its high production of 10.3m b/d in order to apply a brake on price rises. Following the recent Saudi decision to reduce output by 1m b/d—to around 9.3m b/d— Opec production of crude oil and natural gas liquids has failen to about 20.5m-21m b/d -the lowest level, on an annual basis since 1968.

close to capacity, the position would be potentially worri-some," said Dr Herman Franssen, the IEA's chief economist. He added that if companies continued to run down stocks faster than normal there could be a pressure on prices during the mid-winter. Dr Franssen said that refiners

"If Opec were producing at

might face a winter spurt of ordering from industrial, commercial and domestic users of oil products. Stocks in the consumer sectors had been depleted partly because of the economic recession but also because th general public had been lulled by the apparent oil glut and falling prices. Reduced summer demand for

oil products is one of the prime reasons why oil companies have now started to draw on their own stored supplies. Senior company officials said at the ekend that the industry could not afford to keep abnormally large stocks, particularly in view of high interest rates and the losses now being made by many refiners.
One leading oil company said

that storage charges and interest rates put the annual cost of stocking oil at about \$8 to \$10

Berween mid-1980 and mid-1981 the industry had been holding at least 500m barrels above the normal level established after the 1973 crisis, the com-pany added. Refiners could not afford to spend \$4bn to \$5bn a year (£2.25bn to £2.8bn) on storing this excess crude. Indonesia has trimmed the prices of six grades of oil by 20 to 50 cents a barrel because of falling demand. But the price of Minas oil—the main reference grade in Indonesia—is being

kept at \$35 a barrel. The price changes, back-dated to September 10, affect the following grades: Attak, Bekapai and Badak \$37.55 a barrel (formerly \$37.75); Cinta, \$34.00 (formerly \$34.50); Arun con-\$37.50 (formerly and Katapa, \$38.00 \$37.75); (formerly \$38.25).

# Co-op Bank and unions in joint banking venture

BY CHRISTIAN TYLER, LABOUR EDITOR

study is nearly complete and of the labour movement, as is the institution, backed with about £5m of funds to begin with, could be launched in the in Israel by Bank Hapoalim. next six months.

The idea is to set up a licensed deposit taker which licensed deposit taker which other preoccupations, it is now would make investments and said by both sides to be "very provide trade unions with financial services including pension fund management. A fully-fledged bank might be created

On the union side, the main impetus has come from Mr David Basnett, general secretary of the General and Municipal members is being suggested. Workers Union, with support Although the Co-op Bank from leaders of the white-collar union ASTMS, the Shopworkers' Union, the Transport Workers and the Engineering Workers. Unions like the National and

Although the launch has been delayed by the trade unions

It is intended that half of the

starting capital should be raised by each side. The Co-op Bank has agreed to put up its share; union leaders are discussing their contribution among themselves. A joint board of 10-15

already acts for most trade unions and one in six of local authorities, its senior managers feel that a much more powerful financial entity could be created. Local Government Officers' For their part, union leaders Association and the Civil and like Mr Basnett argue that trade

PLANS for a banking institu-tion jointly run by the Co-op Bank and major trade unions are well advanced. A feasibility

Public Services Association may also be drawn in.

The idea is to harness system-atically the financial resources the institution would adopt what The idea is to harness systematically the financial resources the institution would adopt what the labour movement, as is were described yesterday as "relatively conservative cri-teria," in order to build up con-fidence. It would not attempt to extend soft loans to British industry: the unions, through the TUC, are arguing for a new State institution for that

> Protagonists of the plan believe it has been helped by the success of the only other joint trade union financial ven-ture of any consequence. That is the consortium of trade unions affiliated to the Labour Party which bought and rebuilt the party's new headquarters in

Walworth Road, South London. Mr Lewis Lee, chief general manager of the Co-op Bank, discussed the plans with union leaders in Blackpool, when the annual Trades Union Congress

# Haig hints at widening policy rift between U.S. and Europe

BY LESLIE COLITT IN BERLIN

yesterday at official concern in noted there was "strong con-Washington over widening cern" among West Germans cussions the U.S. would have policy differences between the over the neutron bomb. with the Soviet Union "before Washington over widening policy differences between the U.S. and Western Europe.

In what U.S. officials in West Berlin called a major policy speech. Mr Haig said the "tone and substance" of the debates between Americans and Europeans had recently "begun to take a disturbing turn." As Mr Halg spoke some 40,000 West Berliners demon-

strated against his presence in West Berlin and President Reagan's decision to produce the controversial neutron weapon for deployment in Europe. The peaceful demonstration was organised by the Young Socialist wing of the Social Democrat Party (SPD) as well as by young Liberals of Chancellor Helmut Schmidt's coalition partner the Free Democrats and

by the Communist Party of vest Berub. They were later joined by some 300 masked and hooded youths who clashed with the police while attempting to break brough cordons around West Berlin's City Hall where Mr Haig was signing West Berlin's Golden Book.

Chancellor Schmidt lauded the Secretary of State's visit to West Berlin as a reaffirmation of the American commitment to defend the city. The SPD leadership criticised the demon-

Continued from Page 1

MR ALEXANDER HAIG, the stration as being "politically however, Mr Haig said he U.S. Secretary of State, hinted harmful" to West Berlin, but would talk with Herr Schmidt

Mr Haig was accompanied by the West German Foreign Minister, Herr Hans-Dietrich Genscher, but the Opposition leader, Herr Helmut Kohl of the Christian Democrats said Herr Schmidt should have come along as well.

At one point in his speech, Mr Haig asked where were the demonstrations in the West against Vietnam's "seizure" of Rampuchea and against Soviet aggression in Afghanistan. Where, he called out, were the protests against the "enormous" Soviet military build-up. Addressing Europeans criti-

cal of U.S. nuclear policy, Mr Haig retorted: "it is Soviet tanks" not Nato defences against those tanks that threatened the peace in

alluded to European pressure, especially from West Germany, for Washington to start negotiations with Moscow to reduce the level of medium-range nuclear missiles in Europe. He said hopes for such reductions will be doomed" if people succumbed to a "double standard" falsely blaming the troubled state of the world "not on aggression but on the defence against it."

In reply to a later question,

the end of this year." He added that American negotiators would have to be "constrained by European considerations."

In a reference to the demonstration near the hotel where he spoke, Mr Haig said that it had not escaped his notice that West Berliners were in the streets "who think less well of me and my country than I would wish."

In one sense, he said, he regretted the demonstrations. But he noted that in a far more important sense "we should all draw deep satisfaction" from what the protests "tell us about the strength of democracy" in West Berlin.

States and his countrymen form meant that many aspects serving with the U.S. forces in of life previously regarded as when we disagree with what he said. you say we are prepared to defend to the death your right to do so.'

At one point Mr Haig grew visibly irritated when a West German reporter asked whether it was not understandable that Germans were concerned about the neutron bomb after the second world war and the possibility of West Germans having to fight a war against East

# Continued from Page 1

# Thatcher dilemma

There was no sign last night that the Prime Minister had begun to tell colleagues of her intentions, and there remains a doubt about when a government reshuffle could be completed. If consultations can be completed rapidly, and the list of changes is not too long, details could come this evening.

In any event, Mrs Thatcher is being urged not to delay more than necessary, because of the effect the uncertainty is having on Government morale.

Mr Prior apart, Mrs Thatcher is not expected to seek the removal of all or most of the "wets" in her Cabinet as the

office said yesterday.

in some parts."

The statement followed a

report-neither confirmed nor

denied — that the minority centre-liberal Government was

Premier Thorbjorn Falldin's

Press secretary said a report

warning of devaluation, carried

by the opposition newspaper Arbetet, had been misleading

The newspaper said the Government planned to devalue

the krona by 10 per cent today

and to reduce value added tax by 3 per cent. The Riksbank

(central bank) would lower

interest rates later in the week.

After the report had been published, Mr Falldin returned

hurriedly to Stockholm from his

country home to confer with Mr

Economy and Budget Minister,

Mr Ullsten withdrew from

the party scheduled to accom-

and senior officials.

about to devalue the krona.

half of the Parliament. Those considered most vulner able are Sir Ian Gilmour, Lord Privy Seal and Deputy Foreign Secretary, who has been a consistent critic of the Government's monetarist policies, Mr Mark Carlisle, Education Secretary, and Lord Soames, Leader of the Lords. Mr Peter Walker, Agriculture Minister and another persistent critic, is thought likely to remain in his

present post. A possible successor to Mr Atkins at the Northern Ireland Office, now that Mr Prior has apparently put himself out of the reckoning, is Mr Norman same rights as the left to are Fowler. Transport Secretary. to dissent and to campaign.

Swedish devaluation forecast

under pressure to restore the

competitive position of Swedish

industry and stimulate exports.

is expected to decline by about

SKr 10bn (£1.1bn) this year.

But the improvement is due mainly to a 25 per cent drop

in the volume of oil imports, and exporters have been issu-

ing dire warnings about their

loss of market shares abroad. Since the last devaluation in

August, 1977, the krona has been linked to a trade-weighted

basket of currencies in which

the U.S. dollar looms dispro-

over the past year, the dollar has appreciated by

roughly 25 per cent against the

krona. This, in turn, has pro-

Thus, the krone has advanced

pany the Swedish king and which handicaps Swedish ex- of the two other Scandinavian

queen on a state visit to China ports to West Cermany and countries had been informed of

yesterday. Mr Olof Palme, competition with German ex- Sweden's intentions.

15 per cent aginst the Deutsch- new devaluation, said the

Mark since 1979, a development governments and central banks

The deficit on current account

THE SWEDISH Government the Opposition leader, cancelled ports elsewhere.

chairman.

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

will today announce "a pro- a visit to Mexico for a meeting gramme to strengthen the of the Infernational Disarma-economy," the Prime Minister's ment Group, of which he is

Ole Ulisten, the Liberal Party duced an involuntary appreci-

leader, who is also Foreign ation of the krona against a

Minister, Mr Rolf Wirten, the number of West European cur-

renci<del>e</del>s.

of continued, if minority, Conservative Government rule. Instead, he urged moderates to stay within the Labour Party to fight the extremists. "Politcal squatters have moved into the the House of Labour but the legitimate householder does not give up the home that is rightly his. He fights in every lawful way to recover what has been lost and to protect what

is still under threat." A fever was raging in the party, but in Mr Shore's view it would burn itself out. If the vear they must exercise the same rights as the left to argue.

Last month, Mr Curt Nicolin, chairman of the Employers' Association, called for a 10 per

cent reduction in public charges

on company payrolls in order to restore the relative cost posi-

Mr Gosta Bohman, the Con-

servative Party leader, suggested that a compact be reached for a 20 per cent cut

Mr Bohman, then Economy Minister, took his Conservatives

out of the non-Socialist coalition

Government in May after a dis-

Mr. Falldin's Government has promised to take steps to counter rising unemployment, and to stimulate industrial out-

recently it appeared to eschew

a devaluation, which would in-

calculated in kronor—and threaten to renew inflation.

-by 10 per cent in 1977-

Denmark and Norway partly

followed suit. The opposition

newspaper, which anticipated a

When Sweden last devalued

pute about income tax cuts.

tion of Swedish industry.

in wages and salaries.

# Shore

UK TODAY

London, S., E., N.E. England, Midlands, Wales, Channel Is-Isle of Man, N. Ireland, Lake District, S.W. Scotland. Rain, heavy at times. Max. 18C. (64F.).

S., Central, N.W. Scotland. Bright intervals at first, rain later spreading from S. West. N.E. Scotland, Orkney, Shetland. Cloudy, occasional rain at first, bright intervals developing. Max. 14C. (57F.).

Outlook: Unsettled with showers

put and investment. But until De

# Polish clash with union averted by compromise

By Christopher Bobinski in Warsaw

POLAND'S Solidarity trade union and the Government appear to be backing away from a clash over workers rights.

Union leaders offered a peace formula at the weekend when they were faced with a flat rejection by Parliament of their demand for a national referendum on Solidarity's right

to choose factory managers.

While still insisting that top management appointments should be made by workers' councils, the union offered the Government the right to veto its selections. its selections.

A similar proposal from the Government, which offered the union the right of veto over Communist Party management choices, was rejected by the

Fears of a confrontation over the issue developed last week when delegates at Solidarity's first national congress insisted on a referendum and threatened to disobey any laws which did not match their demands.

Mr Lech Walesa, the union mr Lech Walesa, the umon leader, also appeared to be trying to soften the tone of the welter of demands made at the congress. "We do not want to take over power," he said at a meeting at Gniezo, in central Poland, "but we must ensure that the authorities sown us."

foland, "but we must ensure that the authorities serve us."
The spirit of bravado which dominated the congress has still not completely evaporated. According to official news agency reports, Mr Walesa still demands television time to air the union's relevision time to air the union's views. If it was not granted, he said, "we shall build our own transmitter. We have our own equipment and

Mr Mieczysław Rakowski, Deputy Prime Minister, has warned in an interview that the friction between the union and the Polish Government is now greater than ever, Reuter reports from Bonn.
He is quoted as saying that

"blood could flow," in an in-terviw to be published today in Der Spiegel... The Government, however, was well aware that there was

On behalf of the United no turning back in Poland. Re-

Wisits by tourists to Poland have dropped drastically this year as a result of the unsettled political situation and the near total ban on travel to Poland from elsewhere in the Soviet Up to the end of July from the Comecon countries were down by 70 per cent compared to last year and from the West down by 45 per

Organised tours to the rest of Eastern Europe by Poles are down by 82 per cent this year However, the number of Poles travelling abroad individually, presumably to the West, has risen, the Polish tourist committee has reported.

# Weather

STORMY, spreading from West after dry bright start in East. Drier and brighter later in S. West.

and sunny intervals. Normal temperatures.

WORLDWIDE

THE LEX COLUMN

# Industry's route back to profits

profits recovery. Glimmerings of it are visible in the current batch of interim results, and a much stronger effect will come through in the second half when the comparison will be with almost the very bottom of the profits trough towards the end of 1980.

But with the economy still deep in recession, the revival in manufacturing profitability could have something in the nature of a shifting of the agony. While the traded goods sector benefits from drastic cost shedding, the end of destocking and what is now a sharp depreciation of sterling, the domestically oriented sectors of the economy are facing the threat of a fall in the spending power of the personal sector.

### Past the nadir

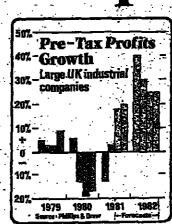
The actual nadir for company profits probably came in about the fourth quarter of 1980, though the exact point depends on the timing of all the exceptional and extraordinary charges relating to closures and redund-ancies. On a reported basis, pretax profits continued to lower in the early months of 1981 than in the same period of 1980, but the latest calculations of brokers Phillips and Drew suggest that the second quarter, for the first time in five quarters, is likely to have shown a year-on-year gain.

With around 30 per cent of companies having reported, profits growth for the quarter emerges at 3 per cent, and when all the results are in the bag it is reckoned this could shade up to 5 per cent. For perspective, however, profits will still be 8 per cent below those of the same 1979 quarter-and money depreciated in value by 26 per cent over those two years. These profits, incidentally,

exclude those of the oil and financial sectors, which are likely to show significantly less buoyant figures than industrials generally. That much is reflected, particularly, in the share price performance of oils, change rate is also sliding a factor in the profits updom; with the sector index showing will be matter of 6 nor and industrial borrowing will the worst performance in the FT-Actuaries list by a wide margin so far in 1981.

Meanwhile industrials could thow quite solid recovery of a fifth or so compared with the profits earned in the second half of 1980, and the really impressive burst of growth could come tured goods are therefore likely through in the early part of

Such hopes are, of course, quite widespread in the stock market and they have served to employee earnings in manufac-



underpin the persistent strength of UK equities in the face of recent weakness in overseas stock markets, notably Wall Street. The argument is that British industry has shrunk its way back into profitability. albeit at great cost in terms of lost jobs, abandoned markets, and written-off capital invest-

In most respects the outlook is now significantly brighter. For instance, the long process of destocking—which has gone on since the end of 1979—is probably more or less anded probably more or less ended. In manufacturing, the second quarter stock rundown of £230m was the lowest for four quarters. The impression is that demand in manufacturing is now a little stronger, though still far from buoyant.

Probably the most important positive factor for manufactur-ing industry has been the weak-ness of sterling. In the early part of the year this was mainly a matter of weakness against the dollar, which was not all that helpful for companies struggling against German and Japanese competition. Never-theless, the depreciation of 24 per cent shown by sterling against the dollar in the first six months of the year has had the useful effect of swelling the profits of U.S. subsidiaries on translation.

# Sliding pound

Now the sterling/DM excent in just the first half of this month. Not only will this help to restore competitiveness in export markets; the downward price pressure from im-ports in domestic markets is also evaporating fast.

Wholesale prices of manufacto begin to rise faster than in the past year. Imported raw material and component costs will also rise, of course, but very slowly. Industry has the chance to win back a slice of the income it has lost to the personal sector.

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The other side of this coin however, is that the real incomes of the declining number of people in gainful employment are likely to be falling. Already in the year to last June, real incomes (allowing for tax changes) were squeezed on average by about 3 per cent. The precise economic effect of this depends upon the extent to which the savings ratio falls. But the outlook for con-sumer-oriented sectors like stores or breweries cannot be very bright.

### Current costs

This should only partially dent the overall strength of profits, however. And in current cost terms the revival could look rather more impressive than on the traditional historical cost basis—partly because the re-covery will be from a lower level. According to an evalua-tion by Phillips and Drew of the 1980 current cost figures of the 140 leading listed companies, the average current cost cover for the dividend was less than one; some 40 per cent of industrial companies declared uncovered dividends for 1980.

The hope now is that current cost earnings will recover by 10-15 per cent in 1981 and by a third or more in 1982. If so, a reasonable level of average cover would be restored for dividends, and there would even be modest scope for growth in payout levels.

Much of the forthcoming recovery in industrial profits has been discounted in the stock market, but there should still be a little more to go for so long as a reasonably fair wind blows. But there are two major hazards to watch out for.

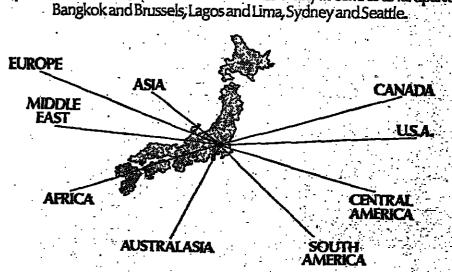
One is the risk that sterling interest rates will have to go up to prevent the weakness of sterling from getting out of control. The cut in interest rates this year has itself been start to rise quite quickly if the revival in activity attains any strength.

The second question mark is over the world economy. Many countries have suffered the impact of unprecedentedly high interest rates, as a direct consequence of U.S. monetary and fiscal policies. British com-panies could yet find that their improved competitiveness will dissipated on unreceptive be

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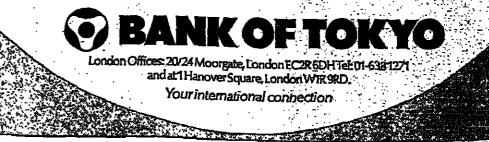
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